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NSAA

NATIONAL SKI AREAS ASSOCIATION

ECONOMIC ANALYSIS OF NORTH AMERICAN SKI AREAS

1981-82 Season

by
C. R. Goeldner and T. A. Buchman

Business Research Division
Graduate School of Business Administration
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Boulder, Colorado

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ECONOMIC ANALYSIS OF NORTH AMERICAN SKI AREAS
1981-82

EXECUTIVE SUMMARY

This 1981-82 survey is the fourteenth economic report to the ski industry. The data represent ski areas possessing approximately 51 percent of the ski area capacity of the nation. If the balance of the areas had similar experiences, the ski industry accommodated 47 million skier visits, processed gross revenues of $865 million, and provided payrolls of $207 million.

This report follows the format of the previous reports to increase comparability and standardize measurements.

Response

The 1981-82 survey is based on complete and detailed financial data from 115 ski areas, a 5 percent decrease from the 1980-81 study.

Profitability

The ski industry recorded an average 14.6 percent operating profit (profit before income tax and interest expense) as a return on Gross Fixed Assets, up substantially from the 5.5 percent in 1980-81, and better than the 12.1 percent in 1979-80 and 13.8 percent in 1978-79. While 1981-82 was a good year it did not reach the 16.2 percent operating profit recorded in 1977-78. Over 84 percent of the respondents reported operating profits. The average before tax profit was $678,574.

Utilization

Utilization was down to 39.7 percent. Equivalent days/nights of operation were up substantially to 130 from 98 in 1980-81. This illustrates the difference in operations in a good snow year versus a poor snow year.

Revenue

Average revenue per skier-visit increased 14.4 percent to $14.40. Average total revenue was up 61.9 percent to $3,595,000. This gain was attributable to a large increase in ski lift ticket revenue, again contrasting a good snow year against the previous bad year.

Average adult weekend ski lift ticket prices were up 13.0 percent to $15.60.

Expenses

Cash operating costs averaged $4.19 per skier capacity per equivalent operating day/night. This critical measure is down 5 percent from the $4.40 of 1980-81.

Highlights At a Glance

	1981-82 Respondents (000)	By Profitability: Top Half (000)	By Profitability: Bottom Half (000)	By Profitability: Loss (000)
Gross Fixed Assets	$6,740	$7,787	$5,277	$4,076
Total Gross Revenue	4,801	6,680	3,944	1,972
Less: Operating Expenses	3,815	4,578	3,554	2,437
Operating Profit (Loss)	986	2,102	390	(465)
Less: Interest	307	346	274	289
Profit (Loss) Before Tax	$ 679	$1,756	$ 116	$(754)
Number of Respondents	(115)	(49)	(48)	(18)

Summary

The 1981-82 season was a good year for most ski areas in North America. Results reflected a good snowfall allowing areas to record an average of 130 equivalent days/nights of operation.

All geographic regions showed substantial improvement in operating profit on gross fixed assets. All regions also showed good return (before tax) on equity, except for the Midwest areas whose 2.1 percent return is up from a loss position last year and for the Pacific Northwest areas which showed a good operating profit, but interest charges placed them in a net loss position.

The ski areas in New England showed increased strength for the second year in a row as their operating profit on gross fixed assets increased to 10.7 percent. The East and Ontario areas continued to show improvement. The Northern Rockies areas showed remarkable improvement, as average operating profit on gross fixed assets increased from 3.8 percent to 23.2 percent.

THE SKI AREA DOLLAR

Table A and the following pie charts illustrate the sources and uses of the ski area customer's dollar for the 1981-82 season.

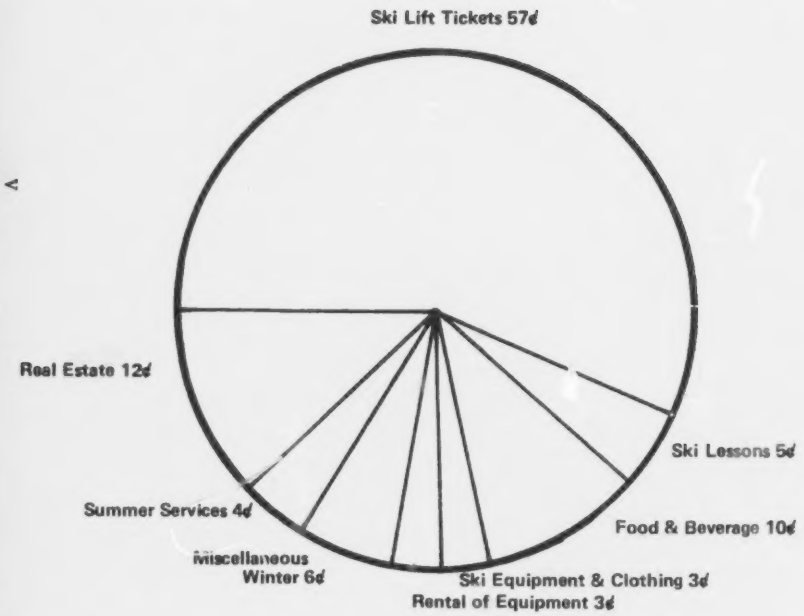
TABLE A

THE SKI AREA DOLLAR

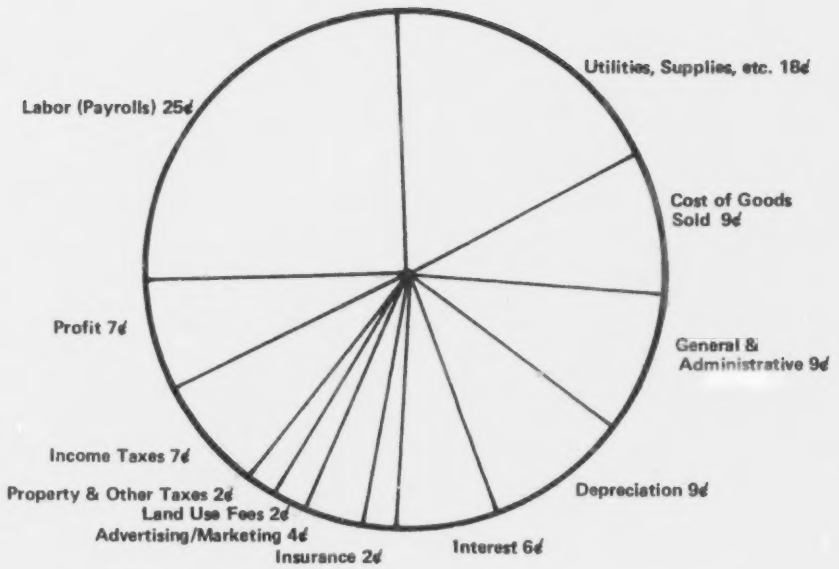
	1981-82 Season	1980-81 Season	1979-80 Season	1978-79 Season	1977-78 Season
What It Buys					
Ski Lift Tickets	$0.57	$0.52	$0.58	$0.58	$0.58
Ski Lessons	.05	.05	.06	.06	.07
Food and Beverages	.10	.10	.11	.12	.11
Ski Equipment and Clothing	.03	.04	.04	.04	.05
Rental of Equipment	.03	.04	.04	.05	.05
Miscellaneous (Winter)	.06	.09	.05	.04	.04
Summer Services	.04	.04	.06	.05	.06
Real Estate	.12	.12	.06	.06	.04
	$1.00	$1.00	$1.00	$1.00	$1.00
What It Pays For					
Labor (Payrolls)	$0.25	$0.23	$0.25	$0.24	$0.23
Utilities, Supplies, Maintenance, etc.	.18	.23	.17	.16	.16
Cost of Goods Sold	.09	.12	.10	.12	.11
General and Administrative	.09	.11	.10	.11	.11
Depreciation	.09	.10	.09	.08	.08
Interest	.06	.06	.06	.04	.05
Insurance	.02	.03	.03	.04	.03
Advertising/Marketing	.04	.04	.04	.03	.03
Land Use Fees	.02	.02	.02	.02	.02
Property and Other Taxes	.02	.02	.02	.02	.02
Income Taxes (50%)	.07	.02	.06	.07	.08
Profit (50%)	.07	.02	.06	.07	.08
	$1.00	$1.00	$1.00	$1.00	$1.00

THE SKI AREA DOLLAR
1981/82

What It Buys



What It Pays For



COMMENTS FROM AROUND THE COUNTRY

NATIONAL SKI AREAS ASSOCIATION
Cal Conniff, President

The 1981-82 season was by and large an especially good snow year for ski area operators throughout the nation. Skiers did not have to travel far to find good skiing. The only exception, where some areas got off to a late start, was in southern California and New Mexico. If anything, the weather was too severe at times, with the Midwest locked in a prolonged deep freeze and the Sierra getting so much snow late in the season that travel to the areas became difficult at times.

The NSAA End of Season Business Survey indicated a skier day count of 53.5 million, the highest ever recorded. This was a modest increase over the previous record-breaking season of 1978-79 when we recorded 53 million skier days. Despite the 1981-82 record-setting count, business was not up to expectations at several of our largest destination resorts where skiing conditions were nearly perfect throughout the season. I believe there were two reasons for this:

1. The condition of the economy and the escalating costs of a long-distance vacation travel.

2. Good snow conditions at every ski area of every size and description throughout the country turned skiers out in record numbers and kept them closer to home.

Despite a recessionary period and some softness in business at a few destination resorts, many, many ski areas recorded their best season ever. In general, the 1981-82 season was one of the very best for the ski area industry.

Looking ahead to the 1982-83 season, NSAA member areas invested over $100 million in new improvements. With another good snow year, creative marketing, and a passion for excellence in what we offer our customers, I'm confident the ski industry has a very bright future.

VERMONT
George Donovan, Chief of Research, Division of Research and Statistics, Agency of Development and Community Affairs, Montpelier, Vermont.

Consistently good snowfalls and favorable temperatures throughout the season combined to make 1981-82 a record year for skiing in Vermont. Each month exceeded estimates in previous years with the exception of April, which fell just short of April 1975. The total number of alpine skier visits is estimated at 4.0 million, some 29 percent more than for the 1980-81 season. Corresponding skier expenditures are estimated at $200 million compared to $120 million a year ago.

Out-of-staters spent about $58 per day per person, stayed an average of 3.5 days, and averaged 3 persons per trip.

The following details attendance and expenditures.

Season	Estimated Annual Skier Expenditures	Estimated Skier-Visits	Average Expend. per Skier-Visit
1976-77	$ 80,000,000	3,000,000	$26.70
1977-78	115,000,000	3,600,000	32.00
1978-79	109,000,000	3,200,000	34.00
1979-80	84,000,000	2,100,000	40.00
1980-81	120,000,000	3,100,000	39.00
1981-82	200,000,000	4,000,000	50.00
Vermonters	14,000,000	800,000	17.00
Out-of-Staters	186,000,000	3,200,000	58.00

SOUTHEASTERN SKI AREAS ASSOCIATION
Reba S. Moretz, Secretary/Treasurer

The information that we have received concerning the 1981-82 ski season in the Southeast is that the season in general started early with most areas. The Christmas holiday period was very strong and with snowmaking capacity and favorable cold weather, the season was good through late February. However, in late February, due to rain and thawing weather, the Southeasternmost areas were unable to continue operation and closed for the season. The areas from Boone, North Carolina north were able to stay open until mid-March and on into April.

Areas with the longer seasons reported record breaking revenues but those forced to close early were less fortunate.

CENTRAL SKI AREAS ASSOCIATION
Joseph L. Wachtel, President

The ski business in the Central United States for the 1981-82 season was kind of a good news-bad news situation. The good news was that the weather, except for the month of January, was very favorable. The bad news was that during three weeks in January, the extreme cold and the news media's dramatization of the cold weather hurt very badly.

Some markets were affected by the stagnant economy more than others. The big snow country areas in the upper peninsula of Michigan lost some ground after showing good growth for many years. The Twin Cities area showed about a 20% increase in skiers. The Chicago area stayed about the same, and the Detroit area lost some skiers. On the balance, the 1981-82 season was certainly much better than the previous two years.

Once again, areas that had aggressive marketing programs showed substantial growth in what was essentially a good snow year.

COLORADO SKI COUNTRY USA
Robert Knous, President

During the course of the 1981-82 ski season, Colorado's 35 ski areas issued 7,622,182 lift tickets, once again making Colorado the leader in skier visits. Record revenues were generated at resorts across the state. Capital investments, aggressive marketing programs, and an abundance of natural snow contributed to the strong season. After a poor 1980-81 season, the industry rebounded with an increase of over 2,000,000 skier visits. Much of this was due to the spending of over $20,000,000 in snowmaking, $20,000,000 in improvements at the resorts, and the investment of $500,000,000 in condominiums and commercial developments at the major destination resorts. On December 27, 1981, a one-day high was achieved when 127,000 lift tickets were issued across Colorado. The ski season extended over 215 days and was highlighted by the return of Colorado's local and front range skiers to the slopes.

SKI UTAH
Raivo Puusemp, President

The 1981-82 season started out very much like the previous year in that the early season was more modest than we would like to see in snowfall. However, in terms of snowfall by the end of the season, Utah resorts set an all-time record of 750" accumulative snowfall. We found for the first time that destination skier numbers were down slightly, probably due to a combination of recession and good snow everywhere else. The dollar strength also affected an increase of American skiers going to Europe. Local skiers, on the other hand, set records at many of our resorts. The season closed with an increase over last year, and only a few percentage points below our all-time record 1978-79 season.

For the coming season, given any decent early season at all, we look forward to a new all-time record.

PACIFIC NORTHWEST SKI AREAS ASSOCIATION
Mel Borgersen, Executive Director

The Pacific Northwest ski areas enjoyed their best winter season to date in 1981-82, following the severe snow drought of 1980-81. An early season start and lots of snow brought record attendance to most ski areas in spite of some severe storms during the winter months.

Oregon, Washington, Idaho and British Columbia experienced high chinook winds, which brought rain, avalanches, floods and some major road closures on various occasions from October through February. Some ski areas lost the entire three-day President's Birthday weekend, due to main highway closures.

Total skier visits for the states of Washington, Oregon and Idaho, as reported by the U.S. Forest Service were: (B.C. figures are not yet available)

1979-80	3.8 million
1980-81	2.3 million
1981-82	3.9 million

A survey of skier visits, lift revenues and number of days operated (Annual Lift Revenue Survey by Mel Borgersen & Associates, Ltd.) revealed the expected differences in performance for the individual ski areas in the Pacific Northwest.

The skier visits reported by 45 ski areas increased 78 percent in 1981-82 over 1980-81. Included in these figures were two ski areas in British Columbia, which experienced decreases in skier visits. All others reported increases.

The lift revenues reported by these same 45 ski areas increased 104 percent overall.

The number of days of operation in British Columbia increased 43.3 percent in 1981-82 over the previous year. The increases in the three Pacific Northwest states were: Washington, 75.2 percent; Oregon, 59.0 percent; and Idaho, 29.6 percent.

The average number of days operating in 1981-82 for the four states/province were: British Columbia, 131; Idaho, 127; Oregon, 122; and Washington, 123.

The snowpack in the Pacific Coastal Range in the late spring was one of the highest on record. Excellent spring skiing produced good to fair attendance. The skiers departed the slopes in many areas before the snow was gone.

SIERRA SKI AREAS ASSOCIATION
Bob Roberts, Executive Director

They were the best of times and the worst. Mammoth Mt. and Boreal were open for skiing at Halloween. Early storms provided the Sierra a fast start and impressive skier day counts by New Year's Day. Not withstanding the loss of the President's weekend to tropical rains, and Easter to devastating, record setting storms, the Northern Areas generally held their own or improved slightly over previous years. Snow Summit and Mountain High in Southern California turned in outstanding seasons. Mammoth, as usual, led the pack with 1.3 million skier visits. Given the state of the economy, and the heaviest snowfall of this century, California and Nevada operators were satisfied survivors.

PREFACE

The Business Research Division is pleased to present another edition of the NSAA Economic Analysis of North American Ski Areas in its tourism and recreation report series. The reader will find this study, covering the 1981-82 season, has followed the format of the previous reports for ease in comparison.

The 1981-82 ski season contrasted sharply with 1980-81 when unusually warm weather occurred. The 1981-82 season saw exceptionally good snow for most ski area operations around the country. Even though the economy affected skier visits at destination resorts, total skier visits increased and the 1981-82 season was an excellent one for the industry. Readers are urged to utilize the 1981-82 data in conjunction with previous studies to obtain a realistic picture of the industry over time.

The Economic Study Committee again asked the ski areas to identify themselves on the questionnaire, which made it possible to have a more efficient follow-up. Calls to areas for small bits of missing financial data enabled us to utilize the majority of the questionnaires, compute ratios, and do other types of analysis, which are not possible when any key data elements are missing. Also, only areas that provided 12-month financial data were included so comparisons would be as meaningful and consistent as possible. The survey response resulted in 115 areas providing complete financial data.

Any comments, questions or suggestions for improvement of the survey should be directed to Charles R. Goeldner, Director, Business Research Division, University of Colorado, Campus Box 420, Boulder, Colorado 80309, or Peter Sullivan, Financial Consultant, P.O. Box 8176, Aspen, Colorado 81612.

ACKNOWLEDGMENTS

This study would not have been possible without the help of many parties. Acknowledgment is made to the NSAA Economic Study Committee: Peter Sullivan, Financial Consultant, Chairman; Ted Farwell, Ted Farwell and Associates; Mel Borgersen, Borgersen and Associates; James Branch, Sno-engineering; Thor Groswold, Winter Park; Doug Young, Waterville Valley; David Carto, Snow Trails; Glen Paulk, Steamboat; and Cal Conniff, NSAA, for their assistance with the development of the survey and its subsequent analysis. While all contributed, special mention goes to Peter Sullivan and Cal Conniff for handling administrative details.

A special tribute goes to Tom Buchman and Karen Duea for their efforts in preparing the report. Many thanks go to Nancy Cress, Frank Bryan, and Dennis Yannutz of the Business Research Division staff for their efforts in making computer runs, constructing tables, typing, and printing against extremely tight deadlines.

Finally, our thanks go to the 115 ski area operators who furnished complete financial data, for without their participation the study would not exist.

C. R. Goeldner, Director
Business Research Division

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I

INTRODUCTION

This economic analysis of the ski industry represents the fourteenth survey of the National Ski Areas Association (NSAA) members. Historically the first study was conducted by Sno-engineering, Inc. and reported data for the 1965-66 and 1966-67 seasons. It was followed by the Case and Company study which covered the 1967-68 season. These studies were followed by three United Bank of Denver studies covering the 1970-71, 1971-72, and 1972-73 seasons. In 1974 the Business Research Division, University of Colorado, was assigned responsibility for the study and produced the sixth through the thirteenth ones covering the 1973-74 through 1980-81 seasons. Consequently, this report focusing on the 1981-82 season represents the fourteenth effort. The survey was conducted by the Business Research Division in cooperation with the Economic Study Committee of NSAA.

Purpose and Objectives

The purpose of the annual survey is to measure and describe ski industry physical and economic characteristics; to create financial yardsticks and economic ratios having a bearing on health, growth and profitability; and to present a picture of the financial performance of the ski industry.

Specific objectives are:

1. To allow ski area operators and others to examine the performance of the industry for the 1981-82 season.

2. To allow individual ski areas to compare their performance to appropriate industry norms and benefit from the experience of others.

3. To improve understanding of ski area economics.

4. To provide a historical perspective.

5. To assist in the planning process.

Methodology

The methodology utilized in the study was the mail survey method. A questionnaire was distributed to both NSAA member and non-member ski areas in July 1982. Follow-up action included additional mailings and telephone calls from Economic Study Committee members and the

Business Research Division staff. Assistance was also provided by NSAA headquarters and regional ski area associations in an effort to gain cooperation and participation.

The questionnaire contained 16 questions concerning various factual characteristics; one open-end question; and itemized requests for revenue, expense, profit (loss) and balance sheet data pertaining to the 1981-82 ski season. A copy of the questionnaire is contained in Appendix B.

Completed questionnaires were coded, key-punched and summarized using the Statistical Package for the Social Sciences (SPSS) program on the University's Cyber 172. In cases where tables in the report do not add to 100 percent, it is due to rounding.

Sample Response and Validity

The survey contained information on both area characteristics and financial data. Table 1 shows the geographic breakdown of the 115 areas furnishing complete data.

TABLE 1

GEOGRAPHIC LOCATION OF RESPONDENTS

	Number		Number
New England		Central Rockies	
Maine	1	Colorado	20
Massachusetts	3	New Mexico	5
New Hampshire	8		25
Vermont	6		
Quebec, Canada	1	Northern Rockies	
	19	Idaho	2
		Montana	4
East		Utah	6
New York	7	Wyoming	1
North Carolina	1		13
Pennsylvania	3		
West Virginia	2	California and Nevada	
Ontario, Canada	2	California	13
	15	Nevada	2
			15
Midwest			
Indiana	1	Pacific Northwest	
Iowa	1	Alaska	1
Michigan	5	Idaho	1
Minnesota	1	Oregon	5
Ohio	2	Washington	4
Wisconsin	2	British Columbia, Canada	5
	12		16

Usable responses were obtained from 1115 ski areas. The 115 areas providing complete financial data represent a decrease from the 1980-81 study, which included 121 ski areas. Table 2 summarizes this financial sample.

TABLE 2

SAMPLE RESPONSE BY CAPACITY
(000)

	Total VTF/Hour	Sample VTF/Hour	Percent Response
New England	259,487	107,655	41.5%
East	213,490	50,750	23.8
Midwest	127,690	25,994	20.4
Rockies	424,803	281,709	66.3
West	355,829	242,160	68.1
	1,381,299	708,268	51.3%

Table 3 provides a measure of the validity of the 1981-82 study response by comparing capacity represented with the 1980-81 responses. The 121 ski areas with complete financial data in the 1980-81 study reported 665,639,000 VTF/hour and represented some 51 percent of total. This response has increased by 6.4 percent to represent 708,268,000 VTF/hour, or some 51.3 percent of total capacity.

TABLE 3

CHANGE IN EFFECTIVE RESPONSE
1981-82 VS. 1980-81
(000)

	1981-82 (VTF/Hour)	1980-81 (VTF/Hour)	Percent Change
New England	107,655	131,705	-18.26%
East	50,750	46,882	8.25
Midwest	25,994	30,886	-15.84
Rockies	281,709	268,784	4.81
West	242,160	187,382	29.23
	708,268	665,639	6.40%

Limitations

The most important limitation is that the study does not include all ski areas. While a response by ski areas containing some 51.3 percent of the uphill skier capacity in the nation is excellent, it may or may not be representative of the industry. Therefore, the data can accurately be interpreted as applying to only the 115 areas that responded. These areas are listed in Appendix A.

The authors believe that response was good due in large part to the acceptance of the past studies, follow-up efforts, and increased awareness of the practical value of the data. Non-respondents, however, could be weighted heavily by loss operations or by small operators who do not have a great interest in the study.

How to Use the Study

An understanding of the terms is essential to a proper understanding of the report. Definitions are included in Appendix C and the reader is urged to familiarize himself with these specifics prior to delving into the report.

Individual ski areas will benefit from conducting a comparative analysis. Most tables contain a column where ski areas may insert the data supplied on their questionnaires and relate their experience to the appropriate average figures. First, fill in your figures. Second, compute your critical financial ratios. Third, complete proportional analyses (percentages) based on both total revenue and gross fixed assets. Finally, with these measures compared to one or more of the appropriate geographic, size or profitability breakdowns, analyze your strengths and weaknesses. In general, concentrate on areas where your operations differ significantly from the averages.

A significant difference need not dictate a change; however, it does flag an area that requires your attention to either adequately rationalize the departure from the norm or to focus on methods of reducing the expense, increasing the revenue, or increasing the utilization.

Organization

The report is divided into ten chapters. General ski industry characteristics and trends over the past studies are contained in Chapter II. Ski area financial performance is covered in Chapter III. Chapter IV deals with the critical financial ratios. The details of profitability are discussed in Chapter V. Chapter VI discusses the various departments, their contribution and employment. Regional characteristics and differences are discussed in Chapter VII, while Chapter VIII contains a description of the industry broken down by type (day, weekend, vacation and weekend only), size and days of operation. Chapter IX discusses the characteristics of ski areas with snowmaking and those with night operations. Chapter X concludes the study by presenting the results of the open-end question dealing with 1981-82 season highlights.

The report contains four appendices. Appendix A lists the ski areas that responded to the survey, Appendix B presents the questionnaire used, Appendix C defines the terms used in the study, and Appendix D lists the members of the NSAA Economic Study Committee.

II

SKI INDUSTRY CHARACTERISTICS

Ski areas were asked 16 questions concerning factual characteristics about their operation. These characteristics are summarized in Table 4. Similar tables summarize these significant parameters by various geographic locations, size, profitability, type, days of operation, snowmaking, and night operation breakdowns in subsequent chapters.

The purpose of gathering this information was to examine industry characteristics and explore similarities and differences in an attempt to develop parameters to describe success or failure. Significant findings are discussed in this chapter.

VTF/Hour

The average ski area contained 6,158,856 vertical transport feet per hour of uphill capacity, capable of comfortably handling crowds of 3,961 skiers. Operators reported an average peak day crowd of 4,291 skiers or 108 percent of comfortable capacity. Average VTF/hour was up slightly due to a growth in new capacity of 7.2 percent, and an increased response by larger areas. Figures shown in Table 2 (page 3) were developed from the 21st Annual Survey of New Lifts (Ski Area Management, January 1982) and indicate a growth of 62,690,000 VTF/hour, up 4.8 percent over 1980-81.

Table 5 contains a comparison with previous studies. Ski areas in the 1981-82 study varied in size from a low of 176,816 VTF/hour to a high of 27,852,400 VTF/hour.

Gross Fixed Assets (GFA)

Size is also measured in Gross Fixed Assets, the total undepreciated cost to create the ski area. Average GFA is $6,740,052, representing an average cost of $1,786 for each skier accommodated daily. (Defined in the economic ratio section as the Capital Cost/Capacity Ratio.) The smallest ski area responding had GFA of $180,000, while the largest had $49,598,000.

Type

One descriptive method of differentiating ski areas is by markets. Most areas serve a specific functional market while a number will serve more than one. Areas were asked to classify themselves

TABLE 4

AVERAGE SKI AREA CHARACTERISTICS

	1981-82	1980-81	1979-80	1978-79	1977-78	USFS Permittees 1981-82
SIZE						
VTF/Hour (000)	6,159	5,704	4,968	4,808	4,585	7,399
Gross Fixed Assets (000)	$6,740	$5,543	$4,176	$3,593	$3,085	$7,911
LOCATION						
Within 50 Miles of SMSA	32%	31%	33%	37%	33%	23%
With 6+ Areas in 1 Hour	34%	29%	31%	27%	30%	26%
New England	17%	19%	18%	17%	21%	8%
East	13%	12%	14%	13%	11%	0%
Midwest	10%	12%	15%	16%	15%	2%
Rockies	33%	33%	28%	33%	32%	54%
West	27%	24%	26%	21%	21%	36%
SITE CHARACTERISTICS						
Number of Beds at Base	1,170	981	682	726	703	1,891
Number of Beds (10 Miles)	4,032	3,801	3,098	2,161	2,454	5,485
With Snowmaking	63%	55%	60%	58%	55%	53%
Terrain: Beginner	26%	25%	25%	24%	26%	23%
Intermediate	49%	49%	50%	51%	49%	49%
Expert	25%	26%	25%	25%	25%	28%
With a Night Operation	38%	36%	41%	36%	38%	20%
BUSINESS CHARACTERISTICS						
Operating With USFS Permit	53%	50%	50%	51%	47%	100%
Engaged in Land Development	37%	39%	34%	33%	32%	33%
OPERATIONAL CHARACTERISTICS						
Average Days/Nights of Operation	130	98	113	131	150	139
Average Peak Day Crowd	4,291	3,785	3,620	3,648	3,665	4,851
Average Skier Visits (000)	207	151	178	181	178	255
Average Age of Ski Areas	23 years	23 years	22 years	22 years	26 years	24 years

TABLE 4 (Continued)

AVERAGE SKI AREA CHARACTERISTICS

	1981-82	1980-81	1979-80	1978-79	1977-78	USFS Permittees 1981-82
ECONOMIC CHARACTERISTICS						
Average Revenue/Skier Visit	$14.40	$12.59	$10.92	$ 9.96	$ 9.15	$14.77
Average Lift Ticket Revenue/Skier Visit	$12.46	$10.91	$ 9.25	$ 8.47	$ 7.58	$12.87
Average Adult Lift Ticket Price:						
Weekend	$15.60	$13.81	$12.05	$10.89	$ 9.86	$15.76
Weekday	$14.29	$12.46	$10.60	$ 9.61	$ 8.56	$15.03
Average Night Ticket Price	$ 8.42	$ 7.83	$ 6.94	$ 6.08	$ 5.85	$ 9.82
Average Adult Season Ticket Price	$ 327	$ 275	$ 236	$ 218	$ 197	$ 323
Average Utilization	40%	42%	48%	44%	40%	60%
Average Profit (Loss) Before Tax (000)	$ 679	$ 112	$ 348	$ 378	$ 389	$ 852
Ratio: Revenue/GFA	53%	40%	51%	54%	56%	54%
Base	(115)	(121)	(131)	(124)	(114)	(61)

TABLE 5

VTF/HOUR CAPACITY

VTF/Hour (000)	1981-82 Number of Areas	1981-82 %	1980-81 Number of Areas	1980-81 %	1979-80 Number of Areas	1979-80 %
0 - 499	1	0.9%	1	0.9%	0	- %
500 - 999	3	2.6	5	4.1	6	4.6
1,000 - 2,499	23	20.0	27	22.3	34	26.0
2,500 - 4,999	37	32.2	37	30.5	51	38.9
5,000 - 9,999	32	27.8	34	28.1	28	21.4
10,000 and Over	19	16.5	17	14.1	12	9.2
	115	100.0%	121	100.0%	131	100.1%

as "day," "weekend," "vacation" or "weekend only" types. Classification as a day area is the largest in the East and Midwest, while vacation areas dominate in the Rockies. A higher proportion of the smaller areas are day oriented while the larger are vacation destinations.

Acreage

The average ski area contains 552 acres of developed ski slopes and trails. Currently these 552 acres support crowds of 3,773 skiers, creating an average density of 6.8/acre. Ski areas in the Midwest accommodate skiers at the average density of 30.1/acre, and New England areas at 21.8/acre, while the Western areas vary from 2.9/acre to 7.8/acre. Table 6 summarizes this data.

TABLE 6

SKI AREA ACREAGE AND CAPACITY

	Base	Average Acres	Calculated Capacity (Skiers)	Average Density (Skiers/Acre)
Total Sample	(115)	552	3,773	6.8
USFS Permittees	(61)	697	4,268	6.1
By Profitability				
Top Half	(49)	637	4,751	7.5
Bottom Half	(48)	521	3,271	6.3
Loss	(18)	405	2,448	6.0
By Geographic Region				
New England	(19)	173	3,777	21.8
East and Ontario	(15)	143	2,255	15.8
Midwest	(12)	72	2,166	30.1
Central Rockies	(25)	500	3,927	7.8
Northern Rockies	(13)	1,150	3,283	2.9
California and Nevada	(15)	1,018	6,135	6.0
Pacific Northwest	(16)	907	4,338	4.8
By Type				
Day	(48)	328	2,396	7.3
Weekend	(19)	538	4,138	7.7
Vacation	(46)	811	5,174	6.4
Weekend Only	(2)	133	1,122	8.4
Snowmaking Areas				
New England	(16)	187	4,130	22.1
East and Midwest	(25)	111	2,291	20.6
West	(31)	737	4,799	6.5

Location

Geographic Location

Tables 1 and 2 illustrate the geographic dispersion of ski areas responding across the nation. Table 7 shows the proportion of areas and capacity (VTF/hour).

TABLE 7

LOCATION OF SKI AREAS

	Estimated Capacity	
	VTF/Hour (000)	%
New England	259,487	18.8%
East	213,490	15.5
Midwest	127,690	9.2
Rockies	424,803	30.8
West	355,829	25.8
	1,381,299	100.1%

Proximity to Metropolitan Areas

Travel is a critical variable to the success of ski areas. With the nation-wide speed limit of 55 miles per hour and a general limit on time for day and weekend outings, proximity to markets has become more important in the 1980s. Table 8 illustrates this critical relationship.

TABLE 8

PROXIMITY TO METROPOLITAN AREAS (SMSAs)

Miles to	Total Sample		Day	Weekend	Vacation	Weekend Only
Nearest SMSA	Number	%	%	%	%	%
0 - 24 miles	18	15.7%	27.1%	10.5%	4.3%	50.0%
25 - 49 miles	19	16.5	18.8	10.5	17.4	-
50 - 74 miles	24	20.9	25.0	21.1	15.2	50.0
75 - 99 miles	19	16.5	12.5	21.1	19.6	-
100+ miles	35	30.4	16.7	36.8	43.5	-
	115	100.0%	100.1%	100.0%	100.0%	100.0%

Note that 71 percent of the day areas are within commuting distance (75 miles) while the bulk of the weekend areas require 2 or more hours of driving. Vacation destinations are typically in more remote locations where snow conditions are maximized, because with stays of 7 to 10 days, proximity is not critical.

Proximity to Other Ski Areas

Ski areas tend to be clustered near each other geographically. Part of this trend is due to natural conditions required, the terrain, snow conditions and climate. Part may be conditioned by the existence of regional airports, interstate highway access and the observed behavior of skiers who seek destinations where they may find a variety of skiing experiences. Table 9 illustrates the extent of this clustering.

TABLE 9

PROXIMITY OF COMPETITIVE AREAS, 1981-82

			Profitability		
	Total Sample		Top Profit	Bottom Profit	Loss
Number Within 1 Hour Drive	Number	%	%	%	%
None	22	19.1%	18.4%	22.9%	11.1%
1	15	13.0	10.2	10.4	27.8
2 - 3	27	23.5	20.4	27.1	22.2
4 - 5	12	10.4	8.2	12.5	11.1
6+	39	33.9	42.9	27.1	27.8
	115	99.9%	100.1%	100.0%	100.0%

As in the past the comparison by profitability in Table 9 supports the observation that the highest profitability occurs where the greatest clustering seems to create a more attractive package.

Site Characteristics

Lodging Facilities

Ski areas reported lodging capacity both in terms of beds at the base area and within 10 miles. Table 10 summarizes this data. The number of beds at the base ranged from 0 to 30,000.

TABLE 10

SKI AREA LODGING CAPACITY, 1981-82

Number of Beds	At Base		Within 10 Miles	
	Number	%	Number	%
None	52	45.2%	20	17.4%
1 - 149	17	14.8	9	7.8
150 - 299	10	8.7	7	6.0
300 - 599	6	5.2	18	15.7
600 - 1,199	12	10.4	21	18.3
1,200+	18	15.7	40	34.8
	115	100.0%	115	100.0%

Ski areas with a large number of beds both at the base and within 10 miles continued to enjoy higher utilization and better profitability.

Snowmaking

Snowmaking capability exists at 63 percent of the respondent areas, up from 55 percent last year. For areas with snowmaking, the average coverage was 88 acres and average operation was 793 hours in 1981-82.

Terrain

In general, 49 percent of the slopes and trails at ski areas responding are classified intermediate (or more difficult in standard NSAA terminology), while 26 percent are beginner (easiest) and 25 percent expert (most difficult).

Business Characteristics

Site Ownership

Sixty-eight percent of the areas responding operate on public land. Fifty-three percent are under permit from the U.S. Forest Service, while 8 percent lease state land, 4 percent Canadian land, and 4 percent other public land. The average USFS permittee reports 83.7 percent of slope transport feet on leased land.

Table 11 illustrates the general pattern of site ownership. As would be expected, land ownership is closely associated with geographic location. Areas located wholly on private land are generally found in the East and Midwest, while areas located partially or wholly on public lands are located in the Rockies or the West.

TABLE 11

SITE OWNERSHIP

	Total Sample	New England	East	Midwest	Rockies	West
All Private	32.2%	36.8%	86.7%	83.3%	10.5%	9.7%
Public USFS Permit	53.0	26.3	-	8.3	86.8	71.0
State Land Lease	7.8	26.3	13.3	8.3	-	3.2
Canadian Lease	3.5	5.3	-	-	-	9.7
Other	3.5	5.3	-	-	2.6	6.5
	100.0%	100.0%	100.0%	99.9%	99.9%	100.1%
Base	(115)	(19)	(15)	(12)	(38)	(31)

Real Estate Operations

Forty-two ski areas (37 percent) responding are engaged in some land development. Interestingly, a larger proportion of eastern and midwestern areas than western areas report land development activity. See Table 12.

TABLE 12

REAL ESTATE OPERATIONS

	1981-82		1980-81	1979-80
	Number	%	%	%
Engaged in Land Development				
Second Home Residential Sites	29	25.2%	28.9%	25.2%
Second Homes	10	8.7	10.7	6.9
Condominium Sites	28	24.3	26.5	22.9
Condominiums	21	18.3	19.0	16.8
Commercial Sites	17	14.8	14.9	11.5
Commercial Buildings	11	9.6	10.7	6.9
Not Engaged in Land Development	73	63.5	59.5	64.9
No Answer	-	-	1.7	1.5
Base	(115)		(121)	(131)

Operational Characteristics

Years in Operation

The average ski area respondent has been operating for 23 years. Table 13 summarizes ski area age. Nine new areas (7.8 percent) have opened within the last five years.

TABLE 13

NUMBER OF YEARS SKI AREAS HAVE BEEN IN OPERATION

	1981-82		1980-81		1979-80	
	Number	%	Number	%	Number	%
1 - 5 years	9	7.8%	7	5.8%	1	0.8%
6 - 10 years	9	7.8	11	9.1	13	9.9
11 - 15 years	8	7.0	15	12.4	23	17.6
16 - 20 years	22	19.1	27	22.3	34	26.0
21 - 25 years	28	24.3	15	12.4	23	17.6
26 - 30 years	11	9.6	16	13.2	6	4.6
31 - 35 years	9	7.8	12	9.9	12	9.2
Over 35 years	19	16.5	18	14.9	19	14.5
	115	99.9%	121	100.0%	131	100.2%

Length of Season

The length of the ski season is generally expressed in number of days/nights of operations and is one of the most critical variables in the success of ski areas. When so high a proportion of costs are fixed (i.e., depreciation, interest, property taxes, and management take some 41 percent of total costs) the longer the season the more opportunity to spread these over a greater revenue base.

The 1976-77 survey contained an upgrading of this vital statistic. Respondents were asked to provide their summary of daily operation in four categories: number of days at full operation, number of days with less than full but more than one-half of your mountain open and skiable, number of days with less than half of your mountain open and skiable, and the number of nights of operation. These breakdowns allowed the calculation of "equivalent" days of operation by weighting each response. Equivalent days of operation is the best estimate of the number of equivalent days that the ski area was fully open and skiable, a more accurate measure of capacity.

The past four surveys contain an added adjustment to allow for the generally smaller night operations. Nights of operation were adjusted by the proportion of the ski area covered by lights and thus open for night skiing. In general, those ski areas with night skiing (38 percent) report night skiing capacity at 46 percent of day capacity. Thus, while the average ski area with lights was open 71 nights, this amounts to only 33 "equivalent days/nights" of full capacity operation.

Table 14 summarizes the various results. Table 15 illustrates the wide variation in actual equivalent operating days. The average ski area enjoyed an equivalent season that was 99 percent of actual days open (130 days divided by 131 days).

TABLE 14

DAYS/NIGHTS OF OPERATION

	Equivalent 1981-82		Equivalent 1980-81		Equivalent 1979-80	
	Number	%	Number	%	Number	%
0 - 59 days/nights	4	3.5%	19	15.7%	19	14.5%
60 - 89 days/nights	6	5.2	32	26.5	14	10.7
90 - 104 days/nights	13	11.3	13	10.7	17	13.0
105 - 119 days/nights	23	20.0	20	16.5	16	12.2
120 - 134 days/nights	24	20.9	18	14.9	27	20.6
135 - 159 days/nights	27	23.5	12	9.9	20	15.3
Over 160 days/nights	18	15.7	7	5.8	18	13.7
	115	100.1%	121	100.0%	131	100.0%

Again, length of season is somewhat positively correlated with profitability as the top half of the profitable areas had a season, based on equivalent days, that was 16 percent greater than the loss areas. Pacific Northwest ski areas had the longest season, averaging 147 equivalent days/nights, while New England again had the shortest, 121 days/nights.

TABLE 15

ACTUAL VS. EQUIVALENT DAYS OF OPERATIONS, 1981-82

	Equivalent Days/Nights[a] of Full Operation	Days of Full Operation (100%)	Days of More Than Half (75%)	Days of Less Than Half (25%)	Total Actual Days Open	Nights of Operation (46%)
Average Ski Area	130	93	24	14	131	27
Top Profit	130	94	23	14	131	28
Bottom Profit	135	95	25	16	136	30
Loss	112	83	25	6	115	19
New England	121	97	17	19	133	11
East and Ontario	123	60	34	13	107	52
Midwest	135	70	26	7	103	53
Central Rockies	123	93	27	10	131	9
Northern Rockies	130	113	12	10	135	32
California/Nevada	135	108	16	21	145	18
Pacific Northwest	147	103	34	15	153	37
Day	128	82	25	10	117	39
Weekend	128	99	24	13	137	19
Vacation	135	104	23	18	145	20
USFS Permittees	130	102	22	15	139	61

[a]This figure is the sum of days, open at various capacities, plus nights of operation.

Ski Area Capacity

The calculation of ski area capacity is a matter of judgment. The 1975-76 study attempted to establish capacity parameters in several ways in order to test various concepts. This procedure has been used in all surveys since. Total lift VTF/hour is used. Ski area operators were also asked to provide their peak day crowd count plus their estimate of their "comfortable" crowd.

The results are tabulated in Table 16. The "calculated capacity" column is based on an assumed average hourly demand in VTF/hour. This assumption is similar to the last six studies and is based on the observation that skiers demand different amounts of skiing based upon their ability level, and further that this demand varies from ski area to ski area and region to region. The demand used to approximate regional experience is:

Geographic Region	Approximate Demand
New England	1,500 VTF/hour
East	1,500 VTF/hour
Midwest	1,000 VTF/hour
Rockies	2,000 VTF/hour
West	1,500 VTF/hour

TABLE 16

MEASURES OF SKI AREA CAPACITY

	Peak Day Crowd	Comfortable Crowd	Calculated Capacity	Peak Crowd As % of Calculated Capacity	Comfortable Crowd As % of Calculated Capacity
Total Sample	4,291	3,961	3,773	114%	105%
USFS Permittees	4,851	4,235	4,268	114	99
Location:					
New England	4,268	3,813	3,777	113	101
East	3,684	3,503	2,255	163	155
Midwest	2,263	2,150	2,166	104	99
Central Rockies	5,081	4,499	3,927	129	115
Northern Rockies	3,515	3,598	3,283	107	110
California/Nevada	6,182	5,826	6,135	101	95
Pacific Northwest	4,031	3,635	4,338	93	84
Profitability:					
Top	5,470	4,890	4,751	115	103
Bottom	3,834	3,565	3,271	117	109
Loss	2,301	2,491	2,448	94	102
Type:					
Day	2,984	2,844	2,396	125	119
Weekend	4,259	3,856	4,138	103	93
Vacation	5,788	5,268	5,174	112	102
Weekend Only	1,550	1,725	1,122	138	154

An analysis of Table 16 indicates that these assumptions are in general harmony with ski area operator estimates.

The calculated figures have been used in this study to compute season capacity and determine utilization. The peak day crowds are 114 percent of calculated capacity and 108 percent of ski area operators' estimated comfortable capacity.

Skier Visits

Skier visits is the physical measure of use. Table 17 summarizes skier visits reported over the past four ski seasons.

TABLE 17

SKIER VISITS/SEASON

Skier Visits (000)	1981-82 Number	1981-82 %	1980-81 %	1979-80 %	1978-79 %
0 - 24.9	10	8.7%	14.9%	13.0%	7.3%
25 - 49.9	8	7.0	14.1	12.2	13.7
50 - 99.9	24	20.9	20.7	22.1	23.4
100 - 199.9	32	27.8	25.6	22.1	21.8
200+	41	35.7	24.8	30.5	33.9
	115	100.1%	100.1%	99.9%	100.1%
Average Skier Visits (000)	207		151	178	181

Growth

The last five surveys contain a measure of growth. For the sixth time, the respondents were asked for their skier visit count over the past five years. Table 18 summarizes the findings.

TABLE 18

GROWTH IN USAGE

		Skier Visits				
	Base	1981-82 (000)	1980-81 (000)	1979-80 (000)	1978-79 (000)	1977-78 (000)
Total Sample	115	207	157	193	190	177
USFS Permittees	61	255	187	256	246	217
By Profitability:						
Top Half	49	285	196	258	253	238
Bottom Half	48	173	151	174	174	159
Loss	18	87	68	65	64	61
By Geographic Region:						
New England	19	188	143	113	145	164
East	15	146	132	121	121	123
Midwest	12	81	79	89	98	90
Central Rockies	25	272	197	292	267	242
Northern Rockies	13	165	132	172	169	147
California/Nevada	15	356	277	338	340	264
Pacific Northwest	16	176	109	159	135	151
By Type:						
Day	48	113	81	104	112	106
Weekend	19	227	170	188	178	182
Vacation	46	305	237	295	285	258
Weekend Only	2	28	15	20	2	2

Ignoring the poor year experienced by the average area in 1980-81, the number of skier visits continued its upward trend; the average area had a 7 percent increase in skier visits in 1981-82 compared with 1979-80.

The New England and East areas continued their favorable trend after reaching a recent low in 1979-80; while the Midwest areas were again plagued by cold weather which kept their skier visits below their 1978-79 levels. The Central and Northern Rocky Mountain areas reported increases in 1981-82, but not enough to bring them to levels enjoyed in earlier years.

Economic Characteristics

Ski Lift Prices

Respondents were asked to list their adult weekday and weekend all day lift ticket prices. These are typically the highest prices quoted because there are discounts for students, children, military, 3, 5 and 7 day packages, promotions, races and senior citizens. The last five studies also include pricing questions concerning night ticket rates and season pass rates. Table 19 summarizes these prices and compares prices with actual average lift ticket revenue per skier visit.

TABLE 19

SKI LIFT TICKET PRICES AND
AVERAGE LIFT TICKET REVENUE/SKIER VISIT

	1981-82	1980-81	1979-80	1978-79
Ski Lift Ticket Price:				
Weekend	$15.60	$13.81	$12.05	$10.89
Weekday	14.29	12.46	10.60	9.61
Night	8.42	6.83	6.94	6.08
Season Pass	327.00	275.46	236.00	217.61
Average Ski Lift Ticket Revenue/S-V	12.46	10.91	9.25	8.47
Realized Revenue Vs. Weekend Price	79.9%	79.0%	76.8%	77.8%

Table 20 illustrates the range of ski lift ticket prices. Prices ranged from a low of $8.00 to a high of $23.00.

TABLE 20

ADULT, ALL DAY WEEKEND, SKI LIFT TICKET PRICES

	1981-82		1980-81	1979-80	1978-79	1977-78
	Number	%	%	%	%	%
$4.00 - 5.99	0	- %	- %	- %	0.8%	0.9%
$6.00 - 6.99	0	-	-	-	0.8	2.6
$7.00 - 8.49	1	0.9	2.5	7.6	7.3	20.2
$8.50 - 9.99	8	7.0	3.3	11.5	23.4	21.9
$10.00 - 11.99	3	2.6	12.4	24.4	29.8	35.1
$12.00 - 14.99	33	28.7	39.7	38.9	29.8	19.3
$15.00 - 17.99	36	31.3	30.6	16.0	8.1	
$18.00 - 20.99	27	23.5	11.6	1.5		
$21.00+	7	6.1	0.0	0.0	0.0	0.0
	115	100.1%	100.1%	99.9%	100.0%	100.0%

Profits

Eighty (70 percent) of the 115 ski areas reported profits in 1981-82. Chapter V provides a complete analysis of profitability and its probable causes. Table 21 summarizes dollar returns.

TABLE 21

DOLLARS OF PROFIT (BEFORE TAX)

	1981-82		1980-81	1979-80	1978-79	1977-78
Dollars (000)	Number	%	%	%	%	%
Loss	35	30.4%	54.5%	42.0%	26.6%	12.3%
$0 - 24.9	5	4.4	1.7	4.6	9.7	5.2
$25 - 49.9	2	1.7	7.4	5.3	7.3	8.8
$50 - 99.9	5	4.4	2.5	6.9	8.9	14.1
$100 - 149.9	9	7.8	5.8	9.2	3.2	8.7
$150 - 249.9	14	12.2	4.1	5.3	9.7	10.5
$250 - 349.9	6	5.2	6.6	2.3	5.6	7.9
$350 - 999.9	18	15.7	8.3	11.5	17.7	22.9
$1,000 - 1,999.9	11	9.6	5.8	7.6	5.6	7.0
$2,000 - 9,999.9	8	7.0	3.3	5.3	5.6	2.6
$10,000+	2	1.7				
	115	100.1%	100.0%	100.0%	99.9%	100.0%

Non-Skiing Activities

Table 22 summarizes the variety and extent of other recreational activities offered at ski areas. The most prevalent activity is still ski touring, followed by tennis and swimming.

TABLE 22

OTHER ACTIVITIES AVAILABLE AT SKI AREAS

	Percent of Areas That Have			
	All	Day	Weekend	Vacation
Toboggans/sleds	6.1%	6.3%	5.3%	6.5%
Ice skating	19.1	4.2	5.3	41.3
Snowmobiles	13.0	6.3	0.0	23.9
Ski touring	66.1	47.9	68.4	84.8
Golf	22.6	6.3	15.8	43.5
Tennis	34.8	10.4	42.1	58.7
Swimming	34.8	10.4	42.1	58.7
Water sports	16.5	8.3	15.8	26.1

III

SKI AREA FINANCIAL DATA

Introduction

Each ski area was asked to provide the following financial data on their 1981-82 season: (1) income statement, (2) departmental revenue and expense, and (3) balance sheet. From this information average area financial statements were developed to measure the industry's financial performance. The data summarized here for the 1981-82 season represents 115 ski areas that provided complete usable data representing 12 months of income and expenses. These 115 areas represent a decrease from the 121 completely usable questionnaires for 1980-81.

The 115 ski areas represent approximately 51 percent of the ski area capacity in North America. If this relationship were to hold for the balance of the capacity, then the ski area business in the United States has an investment of some $1.5 billion, processes revenues of $865 million, and has an annual payroll of $207 million.

This chapter first presents the average income statement (Table 23) and the average area lift and revenue expense statement (Table 24) in the traditional format of previous reports. This is followed by an extensive analysis of the income statement in a non-traditional way which the authors believe will be more meaningful to ski area operators. Readers will note that the data are the same except for the revenue figure which has been adjusted because of concession operations to make the data more comparable. Also, this more extensive analysis includes a separate column on the 61 areas in the study operating with a USFS permit.

Average Ski Area Income Statements

Table 25 is the composite-average income statement referred to above. The format is somewhat non-typical due to the varying practices of ski area operators. Total revenue is the total of gross lift department revenue plus gross margin or contributions from all other departments. It is believed that in this manner one can more fairly combine ski areas that have only some of the supporting operations with those who concession them, and thus report only net concession revenue, and those who operate their own schools, shops, restaurants, and real estate business. Details of these supporting operations may be found in Chapter VI.

Table 26 is a summary of gross revenue, concession revenue and direct operating costs. It is included to illustrate how the supporting margins were calculated. The breakdowns shown in Chapter VI are much more accurate for illustrating typical departmental cash flows, since Table 26 includes all areas in the average including those who do not operate such a department. While they are statistically accurate they are non-typical.

TABLE 23

AVERAGE AREA INCOME STATEMENT (000)

	1981-82 Total	1981-82 Season Percent	1980-81 Total	1980-81 Season Percent	1979-80 Season Percent	1978-79 Season Percent
Revenue	$4,801	100.0%	$3,155	100.0%	100.0%	100.0%
Direct Expense						
Direct Labor[a]	$1,035	21.6%	$ 717	22.7%	22.2%	22.2%
Other Direct Expenses[b]	1,348	28.1	1,079	34.2	29.8	29.1
Total Direct Expenses	$2,383	49.7%	$1,796	56.9%	52.0%	51.3%
Gross Margin	$2,418	50.3%	$1,359	43.1%	48.0%	48.7%
Other Expenses						
General & Administrative	$ 478	10.0%	$ 340	10.8%	9.5%	9.0%
Marketing	192	4.0	138	4.4	4.0	3.4
Insurance	98	2.0	85	2.7	3.1	3.5
Forest Service Fees	58	1.2	40	1.3	1.5	1.5
Private Land Rental	16	0.3	12	0.4	0.6	0.5
Property & Other Taxes	105	2.2	60	1.9	1.7	1.8
Interest	307	6.4	195	6.2	5.5	4.5
Depreciation	427	8.9	334	10.6	9.2	8.4
Miscellaneous Expense	58	1.2	43	1.5	0.8	1.8
Total Other Expense	$1,739	36.2%	$1,247	39.5%	35.9%	34.4%
Pre-Tax Profit (Loss)	$ 679	14.1%	$ 112	3.6%	12.1%	14.3%
Base	(115)		(121)		(131)	(124)

[a]Includes direct labor and snowmaking labor.

[b]Includes cost of goods sold, payroll taxes, property operations, snow removal, snowmaking and other direct.

TABLE 24

AVERAGE AREA LIFT REVENUE AND EXPENSE (000)

	1981-82 Total	1981-82 Season Percent	1980-81 Total	1980-81 Season Percent	1979-80 Season Percent	1978-79 Season Percent
Lift Revenue						
Winter	$2,580	98.8%	$1,646	98.5%	99.2%	99.0%
Summer	32	1.2	25	1.5	.8	1.0
Total	$2,612	100.0%	$1,671	100.0%	100.0%	100.0%
Lift Expense						
Direct Labor (Winter)						
Lift	$ 169	6.5%	$ 124	7.4%	6.6%	6.9%
Ski Patrol	84	3.2	60	3.6	3.1	3.2
Slope Maintenance	66	2.5	42	2.5	2.1	2.3
Maintenance & Repair	97	3.7	73	4.4	3.7	3.9
Ticket Sales	38	1.5	23	1.4	1.3	1.2
Other	41	1.6	33	2.0	1.6	1.6
Total (Winter)	$ 495	19.0%	$ 355	21.2%	18.4%	19.1%
Direct Labor (Summer)	$ 12	0.5%	$ 10	0.6%	0.3%	0.8%
Other Direct Expense	$ 269	10.2%	$ 207	12.4%	11.4%	12.3%
Gross Margin - Lifts	$1,836	70.3%	$1,099	65.8%	69.9%	67.8%
Base	(115)		(121)		(131)	(124)

TABLE 25

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT

	1981-82 Total (000)	1980-81 Total (000)	% Change	USFS Permittees	Your Ski Area
Gross Fixed Assets	$6,740	$5,543	21.6%	$7,911	$____
Revenue:					
Ski Lift Gross - Winter	$2,581	$1,646		$3,288	$____
Ski Lift Gross - Summer	32	25		29	____
Supporting Margin - Winter	453	286		444	____
Supporting Margin - Summer	68	29		39	____
Year Round Margin	461	235		461	____
TOTAL REVENUE	$3,595	$2,221	61.86%	$4,261	$
Less:					
Ski Lift Direct Expense	$ 777	$ 572		$ 968	$____
Payroll Taxes	113	79		123	____
Property Operation	169	125		149	____
OPERATIONS MARGIN	$2,536	$1,445	75.5%	$3,021	$____
Less:					
General & Administrative	$ 478	$ 340		$ 522	$____
Marketing (advertising, public relations, promotion, etc.)	192	138		200	____
Insurance (property, liability)	98	85		115	____
Land Use Fees (public)	58	40		98	____
Land Use Fees (private)	16	12		14	____
Property Taxes	54	43		61	____
Other Taxes (except income)	51	17		69	____
Snowmaking	106	81		86	____
Snow Removal	12	4		14	____
Miscellaneous	58	43		65	____
Depreciation & Amortization	427	334		538	____
OPERATING PROFIT (LOSS)	$ 986	$ 307	221.17%	$1,238	$____
Less: Interest	307	195		386	____
PROFIT (LOSS) BEFORE TAX	$ 679	$ 112	506.25%	$ 852	$____
Base	(115)	(121)		(61)	

TABLE 26

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
1981-82

	Plus:		Less:			Equals:
	Gross Sales (000)	Concession Revenue (000)	Cost of Goods Sold (000)	Direct Labor (000)	Direct Other (000)	Gross Margin (000)
WINTER SEASON						
Ski Lift Department	$2,581	$ -	$ -	$ 494	$ 264	$1,823
Ski School	239	2	-	142	18	81
Food Service	354	20	128	108	44	94
Bar	96	9	25	17	11	52
Retail	153	8	85	18	6	52
Rental	153	6	23	30	10	96
Accommodations	159	1	-	48	61	51
Other	81	5	6	32	21	27
Sub-total	$3,816	$ 51	$ 267	$ 889	$ 435	$2,276
YEAR-ROUND						
Real Estate	$ 529	$ 0	$ 112	$ 31	$ 52	$ 334
Utility	11	0	-	3	13	(5)
Miscellaneous	169	0	16	9	12	132
Sub-total	$ 709	0	$ 128	$ 43	$ 77	$ 461
SUMMER SEASON						
Lift Department	$ 32	$ -	$ -	$ 12	$ 7	$ 13
Food Service	60	1	21	23	8	9
Retail	15	0	8	4	1	2
Sports	28	2	-	10	9	11
Accommodations	54	0	-	18	14	22
Slide	34	0	0	6	4	24
Sub-total	$ 223	$ 3	$ 29	$ 73	$ 43	$ 81
TOTALS	$4,748	$ 54	$ 424	$1,005	$ 555	$2,818
Base	(115)	(115)	(115)	(115)	(115)	(115)

This format also differs slightly by showing an "operating profit (loss)" before subtracting interest expense. It is believed that this figure compared to gross fixed assets is one of the best overall measures of industry profitability. Interest expense varies from zero to $4.4 million, and while it is a critical and significant cost of doing business it is also viewed as a part of the cost of capital. Some areas are subsidiaries of larger corporations, some beneficiaries of public funding, and many carry an added burden of past operating losses. A fair assessment of current operations requires both an analysis of before tax and before interest return on GFA, and profit as a percent of equity.

Tables 27 and 28 provide comparisons between expenses, revenues and investment (Gross Fixed Assets). One generally uniform factor involves the depreciation to Gross Fixed Assets of around 6 percent, or 16 years average life.

Revenue

Average revenue was up 61.9 percent. A check of the 1981-82 results using the revenue to GFA vs. utilization rule developed in the 1974-75 report shows the following.

	Total Revenue to GFA		Percent Utilization		Factor	Judgment
All ski areas	53%	÷	40%	=	1.33	Good
Top Half Profit	66%	÷	43%	=	1.53	Excellent
Bottom Half Profit	43%	÷	38%	=	1.13	Good
Loss	28%	÷	29%	=	.97	Poor

This rule of thumb measure summarizes all of the critical economic variables (capacity, utilization, length of season, revenue per skier visit) and relates them to investment. When the revenue/GFA ratio exceeds utilization, the various factors are in balance. When utilization exceeds the revenue/GFA ratio one or more factors are impairing a ski area's ability to make profits commensurate with the risks. This factor analysis is derived from the income potential to capital cost (GFA) ratio used to evaluate the conceptual feasibility of a new or expanded ski area.

TABLE 27

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
PERCENT OF REVENUE

	1981-82 Total	1980-81 Total	1981-82 USFS Permittees	Your Ski Area
Revenue:				
Ski Lift Gross - Winter	71.80%	74.11%	77.32%	_____%
Ski Lift Gross - Summer	0.89	1.10	0.68	_____
Supporting Margin - Winter	12.60	12.90	10.42	_____
Supporting Margin - Summer	1.89	1.31	0.92	_____
Year Round Margin	12.82	10.57	10.82	_____
TOTAL REVENUE	100.00%	100.00%	100.00%	100.0%
Less:				
Ski Lift Direct Expense	21.61%	25.75%	22.72%	_____%
Payroll Taxes	3.14	3.54	2.89	_____
Property Operation	4.70	5.64	3.50	_____
OPERATIONS MARGIN	70.55%	65.08%	70.89%	_____%
Less:				
General & Administrative	13.30%	15.33%	12.25%	_____%
Marketing (advertising, public relations, promotion, etc.	5.34	6.20	4.69	_____
Insurance (property, liability)	2.73	3.83	2.70	_____
Land Use Fees (public)	1.61	1.78	2.30	_____
Land Use Fees (private)	0.45	0.55	0.35	_____
Property Taxes	1.50	1.94	1.43	_____
Other Taxes (except income)	1.42	0.74	1.62	_____
Snowmaking	2.95	3.67	2.02	_____
Snow Removal	0.33	0.20	0.33	_____
Miscellaneous	1.61	1.95	1.53	_____
Depreciation & Amortization	11.88	15.06	12.62	_____
OPERATING PROFIT (LOSS)	27.43%	13.83%	29.05%	_____%
Less: Interest	8.54	8.78	9.05	_____
PROFIT (LOSS) BEFORE TAX	18.89%	5.05%	20.00%	_____%
Base	(115)	(121)	(61)	

TABLE 28

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
PERCENT OF GROSS FIXED ASSETS

	1981-82 Total	1980-81 Total	1981-82 USFS Permittees	Your Ski Area
Gross Fixed Assets	100.00%	100.00%	100.00%	100.00%
Revenue:				
Ski Lift Gross - Winter	38.29%	29.69%	41.56%	____%
Ski Lift Gross - Summer	0.47	0.44	0.37	____
Supporting Margin - Winter	6.72	5.17	5.61	____
Supporting Margin - Summer	1.02	0.53	0.49	____
Year Round Margin	6.84	4.23	5.83	____
TOTAL REVENUE	53.34%	40.06%	53.86%	%
Less:				
Ski Lift Direct Expense	11.53%	10.31%	12.24%	____%
Payroll Taxes	1.68	1.42	1.55	____
Property Operation	2.50	2.26	1.88	____
OPERATIONS MARGIN	37.63%	26.07%	38.19%	____%
Less:				
General & Administrative	7.09%	6.14%	6.60%	____%
Marketing (advertising, public relations, promotion, etc.)	2.85	2.48	2.53	____
Insurance (property, liability)	1.45	1.53	1.45	____
Land Use Fees (public)	0.86	0.71	1.24	____
Land Use Fees (private)	0.24	0.22	0.19	____
Property Taxes	0.81	0.78	0.77	____
Other Taxes (except income)	0.76	0.30	0.87	____
Snowmaking	1.57	1.47	1.09	____
Snow Removal	0.18	0.08	0.18	____
Miscellaneous	0.86	0.78	0.82	____
Depreciation & Amortization	6.32	6.03	6.80	____
OPERATING PROFIT (LOSS)	14.62%	5.54%	15.65%	____%
Less: Interest	4.55	3.52	4.88	____
PROFIT (LOSS) BEFORE TAX	10.07%	2.02%	10.77%	____%
Base	(115)	(121)	(61)	

The 1981-82 ratio of revenue to GFA (53 percent) increased substantially from the 1980-81 figure (40 percent), and was slightly above the 1979-80 figure (51 percent). This subject is discussed in more detail in Chapter V.

Expenses

Direct operating expenses were up 36 percent, but revenues increased over 61 percent, so the operating margin increased over 75 percent.

Balance Sheet

Balance sheet data is summarized in Table 29. The basic balance sheet data remained unchanged. Working capital is adequate and the current ratio is an adequate 1.2/1.

Table 30 summarizes the traditional measures of business health.

TABLE 29

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS

	1981-82 (000)	Total Percent	1980-81 (000)	Total Percent	USFS Permittees (000)
Assets					
Current Assets	$ 975	15.4%	$ 777	14.4%	$1,121
Gross Fixed Assets	6,203	97.7	5,556	103.0	6,952
Less: Depreciation	(2,075)	(32.7)	(1,847)	(34.2)	(2,206)
Other Assets	1,243	19.6	908	16.8	1,405
TOTAL ASSETS	$6,346	100.0%	$5,394	100.0%	$7,272
Liabilities & Net Worth					
Current Liabilities	$ 805	12.6%	$ 706	13.1%	$ 930
Long-Term Debt	1,782	28.1	1,715	31.8	1,905
Subordinated Debt	303	4.8	339	6.3	397
Deferred Taxes	80	1.3	76	1.4	55
Other Liabilities	263	4.1	210	3.9	190
Net Worth					
Invested	2,053	32.4	1,521	28.2	2,448
Retained Earnings	1,060	16.7	827	15.3	1,347
TOTAL LIABILITIES & NET WORTH	$6,346	100.0%	$5,394	100.0%	$7,272
Base	(110)		(120)		(59)

TABLE 30

BALANCE SHEET RATIOS

	1981-82	1980-81	1979-80	1978-79
Net Working Capital (000)	$170	$ 71	$136	$126
Current Ratio	1.2/1	1.1/1	1.2/1	1.3/1
Percent Debt	51%	56%	54%	57%
Percent Equity	49%	44%	46%	43%
Debt to Cash Flow	1.9X	4.5X	2.6X	2.2X

U.S. Forest Service Permittees

Again, the 1981-82 study contained a separate computer run for the 61 ski areas operating with a USFS special use permit.

The average profile differs mainly in geographic location, size and length of season. The economic characteristics and financial performance indicators are remarkably similar to other areas. USFS permittees are found mainly in the Rockies and the West, and they are more heavily represented among the vacation destination ski areas at some distance from population centers.

IV

ECONOMIC RATIOS

The 1973-74 study introduced the economic ratios contained in this chapter. The objective was to identify and summarize three measures of profitability and five critical variables that help to explain performance.

The reader is again cautioned to review the precise definitions of terms contained in Appendix C. There are a myriad of different methods of measuring profitability and performance. These eight critical economic ratios were developed over the past 20 years by Ted Farwell, a member of the NSAA Economic Study Committee. They are not purported to be the only system, but rather to be one simple method of analyzing operating results.

Table 31 summarizes the eight critical ratios and illustrates the data required to construct each ratio. The source of these figures are Tables 25 and 29. There are similar tables in the subsequent chapters presenting the eight critical variables divided by various meaningful categories of profitability, geographic region, size, type, days of operation, and snowmaking and night operations.

How to Calculate the Ratios

1. Debt to cash flow is a rough measure of the number of years that will be required at this cash flow to retire debt. This ratio is calculated by dividing the total long-term debt (M) (not including current liabilities) by the before-tax cash flow (I). Before-tax cash flow is calculated by adding back the non-cash expense of depreciation (H) to the profit (loss) before tax (G).

2. Operating profit on GFA is, in our opinion, the major ratio to describe profitability. Since it is a ratio before financing costs it allows for the comparison of operating results between areas with conservative management and minimum debt, and those with maximum leverage. It also eliminates the swings in profitability occasioned by the accumulation of several years of losses into the balance sheet. This ratio is calculated by dividing the operating profit (J) by gross fixed assets (L). Operating profit is calculated before interest expense.

3. Profit (before tax) on equity is the second measure of profitability and is the closest one can come to the traditional "return on equity" measure of business profitability. Traditional measures are in "after tax" returns. However, two characteristics of the ski industry make after tax calculations next to meaningless.

TABLE 31

ECONOMIC RATIOS

	Construction Key	Total 1981-82	Total 1980-81	Percent Change	USFS Permittees	Your Ski Area
VTF/Hour (000)	A	6,159	5,704		7,399	_____
VTF/Hour - Demand/Skier Capacity	B	1,632	1,621		1,734	_____
Skier Capacity	C	3,773	3,518		4,268	_____
Days/Nights of Operation	D	130	98		130	_____
Season Capacity (000)	E	521	359		603	_____
Actual Skier Visits (000)	F	207	151	37.09%	255	_____
Profit (Loss) Before Tax (000)	G	$ 679	$ 112	506.25%	$ 852	$_____
Plus: Depreciation (000)	H	$ 427	$ 334		$ 538	$_____
Before Tax Cash Flow (000)	I	$1,106	$ 446		$1,390	$_____
Operating Profit (Loss) (000)	J	$ 986	$ 307	221.17%	$1,238	$_____
Cash Operating Costs (000)	K	$2,183	$1,579		$2,484	$_____
Gross Fixed Assets (000)	L	$6,740	$5,543		$7,911	$_____
Long Term Debt (000)	M	$2,085	$2,054		$2,302	$_____
Equity (000)	N	$3,113	$2,348		$3,795	$_____
Critical Ratios						
1. Health (Debt to Cash Flow)		1.9X	4.50X		1.66X	_____ X
Profitability:						
2. Operating Profit on GFA		14.6%	5.54%	164.08%	15.6%	_____ %
3. Profit (BT) on Equity		21.8%	4.81%	353.43%	22.5%	_____ %
Performance:						
4. Average Utilization		39.7%	42.03%		59.7%	_____ %
5. Days/Nights of Operation		130	98		130	_____
Policy and Planning:						
6. Capital/Capacity Ratio		$1,786	$1,576		$1,854	$_____
7. Operating Cost/Capacity Ratio		$ 4.19	$ 4.40	- 4.77%	$ 4.12	$_____
Revenue/Skier Visit:						
Ski Lift Gross		$12.46	$10.91	14.21%	$12.87	$_____
Ski School Margin		$ .39	$ .32		$ .39	$_____
Food Service Margin		$ .45	$ .39		$ .42	$_____
Bar Margin		$ .25	$ .22		$ .18	$_____
Ski Shop Margin		$ .25	$ .22		$ .24	$_____
Ski Rental Margin		$ .47	$ .43		$ .35	$_____
Other Margin		$ .13	$ .10		$ .32	$_____
8. Total - Revenue/Skier Visit		$14.40	$12.59	14.38%	$14.77	$_____
Base		(115)	(121)		(61)	$_____

a. Many ski areas are subsidiaries of larger corporations and the tax consequences of their ski area profits (losses) are lost in the consolidation.

b. Many ski areas have loss-carry-forward balances to offset current profits and their current taxes would not reflect normal operations.

In general, the reader seeking the comparable "after tax" return may approximate this by cutting the before tax figure in half (considering both Federal and state income tax liabilities).

This ratio is calculated by dividing profit (loss) before tax (G) by equity (N). Equity includes the invested capital and retained earnings. The reader should be aware of the fact that because of the areas' accumulated losses, 33 percent of the respondents reported negative retained earnings and 12 percent showed no invested capital.

4. Average utilization measures actual skier visits as a percent of capacity skier visits. Capacity skier visits (E) is the product of each individual ski area's calculated capacity times its equivalent days/nights of operation. The 1975-76 survey included a more meaningful estimate of capacity since respondents reported the number of days when all ski lifts were open plus the number of days when operations were limited due to lack of snow cover or other capacity limiting factors. The 1976-77 survey included nights of operation. The 1977-78 survey incorporated both of these refinements. Actual days/nights of operation were thus adjusted downward to create "equivalent" day/nights of operation. Please note that average skier capacity (C) times days of operation (D) will not equal season capacity (E). This is because season capacity (E) is the sum of all 115 areas' season capacity and is, of course, weighted by both the larger areas and those with longer seasons.

Average utilization is calculated by dividing actual skier visits (F) by computed season capacity (E). Utilization is expressed as a percent of available season capacity.

The last four studies contain a further refinement in calculating capacity due to the different ski area capacity available at night. Thus, the utilization calculation is not comparable to prior years.

5. Days/nights of operation are the equivalent days and nights that ski areas were open and operating. Theoretically, when computing season capacity, one assumes that all lifts and trails are open each operating period or at least each area is capable of handling the "comfortable capacity" crowd each period that they are operating. All studies since 1975-76 adjust for this factor by computing equivalent days/nights of operation. Days/nights of operation were selected as one of eight critical variables to highlight their important effect on profitability.

6. The capital cost/capacity ratio is designed to provide a relative measure of a ski area's site, design and construction attributes. This ratio is calculated by dividing the GFA (L) by the daily, comfortable skier capacity (C). The rationale for obtaining a skier capacity measure was discussed earlier and judgments may be evaluated by referring to Table 16.

7. The operating cost/capacity ratio is designed as a comparable method of measuring operating cost efficiency. This measure reduces all the cash operating costs (excluding depreciation and interest) to a common denominator. It is calculated by dividing cash operating costs (K) by season capacity (E). Costs are thus reduced to the cost of providing one skier of capacity for one equivalent day/night of operation. In general, ski areas with a higher than average cash operating cost/season capacity ratio in its appropriate size, location or operating days category may well benefit by taking a close look at expenses.

8. Total revenue/skier is a measure of the actual revenue received by the ski area from each skier each day. The definition is very important to assess the usefulness of this measure. Revenue includes gross revenue from ski lift ticket sales, plus the margin or contribution from the other typical supporting services. This method was selected in order to equate ski areas who concession some or all of these supporting service operations, and thus report only a concession fee, with those who operate each service as a department.

   This index is calculated by dividing revenues by skier visits; however, this measure does not use either accommodations, year round or summer revenue as they don't relate directly to skier visits.

What the Ratios Mean

1. Ski Industry Health (Debt to Cash Flow): In 1981-82 the ski industry improved in its ability to retire debt. Average debt obligations are 1.9 times the before tax cash flow. Thus, cash flows are adequate to retire debt in approximately 4 years. (They must first be used to pay income taxes.)

2. Ski Industry Profitability: Operating profit as a percent of Gross Fixed Assets is 14.6 percent. This is a material improvement over last year's 5.5 percent.

   Profit before tax on equity is at 21.8 percent, up considerably from last year's 4.8 percent, but not as good as the near record 25.2 percent of 1978-79, and the 17.5 percent of 1979-80.

3. Ski Industry Performance: Average skier visits were up by 37.1 percent, the result of both a much longer average season and an increase in utilization.

4. Policy and Planning Ratio: The two cost/capacity ratios measure design and operating efficiency. The benchmarks established by the total sample should be attainable and probably represent an adequate norm. The capital cost/capacity ratio must be adjusted upward by an appropriate inflation index to be used for current new construction planning.

   The daily cash operating cost/capacity ratio at $4.19 is down from 1980-81's $4.40 index. The change by category looks like this:

	Cash Cost/Season Capacity		
	1981-82	1980-81	Change
Ski Lift Direct	$1.49	$1.59	Down 6%
Payroll Taxes	.22	.22	Same
Property Operation	.32	.35	Down 9%
Snowmaking and Snow Removal	.23	.24	Down 4%
General & Administrative, & Miscellaneous	1.03	1.07	Down 4%
Marketing	.37	.38	Down 3%
Insurance	.19	.24	Down 21%
Land Use Fees	.14	.14	Same
Property Taxes	.10	.12	Down 17%
Other Taxes	.10	.05	Up 100%
	$4.19	$4.40	

5. Revenue per skier visit: The 1981-82 revenue per skier visit was up 14.4 percent. Overall margins all increased. Additional analysis is presented in Chapter VI.

TABLE 32

REVENUE PER SKIER VISIT

	1981-82	1980-81	1979-80	1978-79
Ski Lift Gross	$12.46	$10.91	$ 9.25	$ 8.47
Ski School Margin	.39	.32	.33	.31
Food Service Margin	.45	.39	.41	.32
Bar Margin	.25	.22	.17	.18
Ski Shop Margin	.25	.22	.19	.18
Rental Margin	.47	.43	.43	.41
Other Margin	.13	.10	.14	.09
	$14.40	$12.59	$10.92	$ 9.96
Base	(115)	(121)	(131)	(124)

V

PROFITABILITY

The 1981-82 ski season recorded profits that were up from 1980-81 and 1979-80. Over 84 percent of the reporting ski areas showed operating profits. Operating profit on Gross Fixed Assets was 14.6 percent for the average ski area in the study, 26.6 percent for the top half of the profitable ski areas and 6.1 percent for the bottom half.

This chapter makes a comprehensive analysis of profitability, its probable causes, current trends, and proposed solutions. Data are presented in three categories, those in the top half of the profitable areas, those in the bottom half of the profitable areas, and those recording losses. Again the reader is urged to read the definitions of profitability used carefully because this chapter treats profitability in a non-typical but hopefully more meaningful way. The definition is operating profit and results in 18 areas with a loss rather than the 35 using profit before income taxes. However, this analysis permits a number of additional meaningful comparisons to be made, especially when they have varying capital structures. Due to the large number of tables presented, they will be found at the end of the chapter.

The proportion of ski areas showing profits increased over 1980-81. Table 33 summarizes six profit indicators.

TABLE 33

HISTORICAL COMPARATIVE MEASURES OF PROFITABILITY

	1981-82	1980-81	1979-80	1978-79
Ski Areas Reporting Operating Profits	84.35%	61.16%	74.0%	83.1%
Operating Profit on GFA	14.62	5.54	12.1	13.8
Profit (BT) on Equity	21.81	4.82	17.5	25.2
Profit (BT) on GFA	10.07	2.02	8.3	10.5
Profit (BT) on Revenue	18.89	5.05	16.4	19.4
Profit (BT) in Dollars (000)	$679	$112	$348	$378
Base	(115)	(121)	(131)	(124)

This chapter isolates both the physical and economic characteristics of profitable areas and compares them with those recording losses to see if any significant insights can be provided. Table 34 presents a summary of the ski area characteristics divided into three categories of profitability. Tables 35 through 38 contain income statement and balance sheet data in these three categories. The 97 profitable ski areas were based upon their ability to show an operating profit (i.e., before subtracting interest). Seventeen of these profitable areas did record losses after subtracting interest costs. The top half were selected based upon their return to GFA (i.e., as opposed to dollar amount of profits). Table 39 contains the critical economic ratios.

The past reports contained an analysis of the five most telling characteristics of the most profitable ski areas, the loss ski areas, and the three distinguishing characteristics of the bottom profit ski areas. In this report these past characteristics will be evaluated against current findings to evaluate progress or slippage.

Characteristics of the Top Half of the Profitable Ski Areas

The same five characteristics as in past studies are identified as the probable cause for higher profitability.

Probable Cause	Measure	Index[a]
1. Equivalent Days/Nights	130 days/nights	1.00
2. Revenue/Skier Visit	$14.69	1.02
3. Capital Cost/Capacity Ratio	$1,663	0.93
4. Size (VTF/Hour) (000)	7,787	1.26
5. Available Beds	4,675	1.16

Resulting Effect	Measure	Index[a]
Average Utilization	43.1%	1.09
Operating Profit (000)	2,102	2.13
Return on GFA	26.6%	1.82

[a] The index represents the relationship of this measure to the average ski area measure.

In each "cause" measure the top profit ski areas gained again in 1981-82.

None of the factors alone fully explain the better profitability; however, each favorable factor has a small effect, and together they effect profits dramatically.

1. Length of Season: Typically the top profit ski areas enjoy a relatively longer season. The 49 top profit ski areas recorded 130 "equivalent" days/nights of operation, which was equal to the average and 15 percent above the loss areas. These 130 days/nights were 15 percent above the 113 "equivalent" days/nights recorded in 1980-81. The favorable season length helped keep the top profit areas relatively profitable. Its effect is shown dramatically in Chapter VIII (Table 74) where the 18 ski areas that ran over 160 days recorded a 20.8 percent operating profit on gross fixed assets.

2. Revenue Per Skier Visit: The most profitable ski areas continue to achieve a higher average revenue per skier visit. This is due mostly to a higher lift ticket price as all ski areas have tightened up on discounting. Net revenue from supporting services did not increase proportionately except for the Food Service margin which increased 15 percent for the top profit areas. These 49 top profit ski areas recorded revenue per skier visit of $14.69, up 11.6 percent from 1980-81.

3. Capital Cost/Capacity Ratio: The top profit ski areas were below the average Capital Cost/Capacity ratio in 1980-81. This was coupled with a lower operating cost/capacity ratio, an additional cause of increased profitability.

4. Type and Size of Area: The top profit ski areas are found again to be the larger ski areas with a greater local skier housing capability.

Characteristics of the Bottom Half of the Profitable Ski Areas

The major reason for the lower profitability reported by the bottom half of the profitable ski areas is again a lower utilization rate. The cause is not readily apparent. The index or relative measures of the five variables identified as the major reasons for the success of the top profit areas are summarized on the following page.

None of these factors alone explain the poorer profitability. However, the combination of lower revenue per skier visit, and slightly lower utilization creates only marginal profits. As in past studies a high operating cost/season capacity ratio reduced profitability. This cost aspect had been significantly reduced over the past four seasons; however, this year the bottom profit areas report an unfavorable $4.37 per capacity skier per operating period, more than the industry average of $4.19. Past studies also pointed to a failure to achieve adequate revenue per skier visit, this again continues to be the case in 1981-82.

Probable Cause	Measure	Index
1. Equivalent Days/Nights	135 days/nights	1.04
2. Revenue/Skier Visit	$14.10	.98
3. Capital Cost/Capacity Ratio	$1,960	1.10
4. Size (VTF/Hour) (000)	5,277	.86
5. Available Beds	3,631	.90

Resulting Effect	Measure	Index
Average Utilization	37.8%	.95
Operating Profit (000)	$390	.40
Return on GFA	6.1%	.42

Characteristics of the Loss Ski Areas

The same five probable causes as applied to the loss areas illustrate the following:

Probable Cause	Measure	Index
1. Equivalent Days/Nights	112 days/nights	.86
2. Revenue/Skier Visit	$13.22	.92
3. Capital Cost/Capacity Ratio	$1,821	1.02
4. Size (VTF/Hour) (000)	4,077	.66
5. Available Beds	3,354	.83

Resulting Effect	Measure	Index
Average Utilization	28.5%	.72
Operating Profit (000)	($465)	-
Return on GFA	Loss	-

All five causes again combine to create losses.

1. Length of Season: The relatively short operating season is again the major cause. The 18 loss areas averaged 83 days of full operation; 25 days of less than full but better than half open; 6 days of less than half open; and 19 equivalent nights of operation. Their equivalent days/nights amounted to 97 percent of actual days open.

2. Revenue/Skier Visit: Past studies identified discounting as a cause of lost revenue. Revenue per skier visit is 92 percent of the industry average, showing improvement over last year's 87 percent.

3. Type and Size of Area: The 18 loss areas were somewhat smaller areas and 44 percent were day skier areas.

These identified basic short-comings combine to have a devastating effect on utilization and profitability.

Summary

These various favorable and unfavorable economic characteristics may be summarized using the rule of thumb ratio of total revenue as a percent of GFA to utilization.

	Total	Top Profit	Bottom Profit	Loss
Number of Areas	115	49	48	18
Total Revenue/GFA	53%	67%	43%	28%
Utilization	40%	43%	38%	29%
Factor	1.33	1.53	1.13	0.97
Judgment	Good	Excellent	Good	Poor
1980-81 Factor	.95	1.13	0.91	0.69

A factor of less than 1.00 indicates one or more critical characteristics are out of balance. All factors are up from 1980-81 levels, illustrating the cumulative effect of the weather.

TABLE 34

AVERAGE SKI AREA CHARACTERISTICS BY PROFITABILITY

	Total	Top Half Profit	Bottom Half Profit	Loss
SIZE				
VTF/Hour (000)	6,159	7,787	5,277	4,077
Gross Fixed Assets (000)	$6,740	$7,901	$6,411	$4,458
Skiable Acres	552	637	521	405
LOCATION				
Within 50 Miles of SMSA	32%	20%	29%	39%
With 6+ Areas in 1 Hour	34%	43%	27%	28%
New England	17%	20%	15%	11%
East	13%	12%	15%	11%
Midwest	10%	6%	13%	17%
Central Rockies	22%	22%	21%	22%
Northern Rockies	11%	8%	15%	11%
California and Nevada	13%	16%	12%	6%
Pacific Northwest	14%	14%	10%	22%
SITE CHARACTERISTICS				
Number of Beds at Base	1,170	1,940	728	252
Number of Beds (10 miles)	4,032	4,675	3,631	3,354
With Snowmaking	63%	61%	69%	44%
With Night Skiing	38%	39%	35%	44%
Terrain: Beginner	26%	27%	26%	25%
Intermediate	49%	48%	49%	50%
Expert	25%	26%	25%	25%
BUSINESS CHARACTERISTICS				
Operating With USFS Permit	53%	60%	52%	39%
Engaged in Land Development	37%	35%	40%	33%
OPERATIONAL CHARACTERISTICS				
Average Days/Nights of Operation	130	130	135	112
Average Peak Day Crowd	4,291	5,470	3,834	2,301
Average Skier Visits (000)	207	285	173	87
Average Age of Ski Areas	23 years	23 years	22 years	24 years
ECONOMIC CHARACTERISTICS				
Average Revenue/Skier Visit	$14.40	$14.69	$14.10	$13.22
Average Lift Ticket Revenue/Skier Visit	$12.46	$12.68	$12.22	$11.62
Average Adult Lift Ticket Price (Weekend)	$15.60	$16.17	$15.29	$14.85
Average Adult Lift Ticket Price (Weekday)	$14.29	$14.79	$14.00	$13.63
Average Night Ticket Price	$ 8.42	$ 9.01	$ 8.31	$ 7.11
Average Adult Season Ticket Price	$ 327	$ 352	$ 300	$ 325
Average Utilization	40%	43%	38%	29%
Average Profit (Loss) Before Tax	$ 679	$1,756	$ 116	$ (754)
Ratio: Revenue/GFA	53%	67%	43%	28%
Base	(115)	(49)	(48)	(18)

TABLE 35

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY PROFITABILITY

	Total (000)	Top Half (000)	Bottom Half (000)	Loss (000)	Your Ski Area
Gross Fixed Assets	$6,740	$7,901	$6,411	$4,458	$_____
Revenue:					
Ski Lift Gross - Winter	$2,581	$3,609	$2,119	$1,015	$_____
Ski Lift Gross - Summer	32	57	16	8	_____
Supporting Margin - Winter	453	616	403	142	_____
Supporting Margin - Summer	68	53	111	(2)	_____
Year Round Margin	461	918	130	97	_____
TOTAL REVENUE	$3,595	$5,253	$2,779	$1,260	$_____
Less:					
Ski Lift Direct Expense	$ 777	$ 984	$ 643	$ 575	$_____
Payroll Taxes	113	132	121	33	_____
Property Operation	169	179	191	85	_____
OPERATIONS MARGIN	$2,536	$3,958	$1,824	$ 567	$_____
Less:					
General & Administrative	$ 478	$ 570	$ 429	$ 355	$_____
Marketing (advertising, public relations, promotion, etc.)	192	223	199	92	_____
Insurance (property, liability)	98	128	90	51	_____
Land Use Fees (public)	58	90	41	13	_____
Land Use Fees (private)	16	9	26	9	_____
Property Taxes	54	71	44	34	_____
Other Taxes (except income)	51	69	31	56	_____
Snowmaking	106	114	121	43	_____
Snow Removal	12	19	8	2	_____
Miscellaneous	58	76	57	5	_____
Depreciation & Amortization	427	487	388	372	_____
OPERATING PROFIT (LOSS)	$ 986	$2,102	$ 390	$ (465)	$_____
Less: Interest	307	346	274	289	_____
PROFIT (LOSS) BEFORE TAX	$ 679	$1,756	$ 116	$ (754)	$_____
Base	(115)	(49)	(48)	(18)	_____

TABLE 36

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY PROFITABILITY

	Percent of Gross Fixed Assets				Your Ski Area
	Total	Top Half	Bottom Half	Loss	
Gross Fixed Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue:					
Ski Lift Gross - Winter	38.29%	45.68%	33.10%	22.77%	____ %
Ski Lift Gross - Summer	0.47	0.72	0.25	0.18	____
Supporting Margin - Winter	6.72	7.80	6.31	3.19	____
Supporting Margin - Summer	1.02	0.67	1.73	(0.05)	____
Year Round Margin	6.84	11.62	2.03	2.17	____
TOTAL REVENUE	53.34%	66.49%	43.42%	28.26%	____ %
Less:					
Ski Lift Direct Expense	11.53%	12.45%	10.05%	12.90%	____ %
Payroll Taxes	1.68	1.67	1.89	0.74	____
Property Operation	2.50	2.27	2.98	1.90	____
OPERATIONS MARGIN	37.63%	50.10%	28.50%	12.72%	____ %
Less:					
General & Administrative	7.09%	7.21%	6.70%	7.96%	____ %
Marketing (advertising, public relations, promotion, etc.)	2.85	2.82	3.11	2.06	____
Insurance (property, liability)	1.45	1.62	1.41	1.14	____
Land Use Fees (public)	0.86	1.15	0.64	0.30	____
Land Use Fees (private)	0.24	0.12	0.42	0.21	____
Property Taxes	0.81	0.91	0.69	0.76	____
Other Taxes (except income)	0.76	0.87	0.48	1.26	____
Snowmaking	1.57	1.44	1.89	0.96	____
Snow Removal	0.18	0.24	0.12	0.05	____
Miscellaneous	0.86	0.96	0.89	0.11	____
Depreciation & Amortization	6.32	6.16	6.06	8.34	____
OPERATING PROFIT (LOSS)	14.62%	26.60%	6.09%	(10.43)%	____ %
Less: Interest	4.55	4.38	4.28	6.48	____
PROFIT (LOSS) BEFORE TAX	10.07%	22.22%	1.81%	(16.91)%	____ %
Base	(115)	(49)	(48)	(18)	

TABLE 37

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY PROFITABILITY

	Percent of Revenue				Your Ski Area
	Total	Top Half	Bottom Half	Loss	
Revenue:					
Ski Lift Gross - Winter	71.80%	68.70%	76.25%	80.56%	____%
Ski Lift Gross - Summer	0.89	1.09	0.58	0.63	____
Supporting Margin - Winter	12.60	11.73	14.50	11.27	____
Supporting Margin - Summer	1.89	1.01	3.99	(0.16)	____
Year Round Margin	12.82	17.47	4.68	7.70	____
TOTAL REVENUE	100.00%	100.00%	100.00%	100.00%	100.00%
Less:					
Ski Lift Direct Expense	21.61%	18.73%	23.14%	45.63%	____%
Payroll Taxes	3.14	2.51	4.35	2.62	____
Property Operation	4.70	3.42	6.87	6.75	____
OPERATIONS MARGIN	70.55%	75.34%	65.64%	45.00%	____%
Less:					
General & Administrative	13.30%	10.85%	15.44%	28.17%	____%
Marketing (advertising, public relations, promotion, etc.)	5.34	4.24	7.16	7.30	____
Insurance (property, liability)	2.73	2.44	3.24	4.05	____
Land Use Fees (public)	1.61	1.70	1.48	1.03	____
Land Use Fees (private)	0.45	0.16	0.94	0.71	____
Property Taxes	1.50	1.35	1.58	2.70	____
Other Taxes (except income)	1.42	1.31	1.12	4.44	____
Snowmaking	2.95	2.17	4.35	3.41	____
Snow Removal	0.33	0.36	0.29	0.16	____
Miscellaneous	1.61	1.47	2.05	0.41	____
Depreciation & Amortization	11.38	9.27	13.96	29.52	____
OPERATING PROFIT (LOSS)	27.43%	40.02%	14.03%	(36.90)%	____%
Less: Interest	8.54	6.59	9.86	22.94	____
PROFIT (LOSS) BEFORE TAX	18.89%	33.43%	4.17%	(59.84)%	____%
Base	(115)	(49)	(48)	(18)	

TABLE 38

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS
BY PROFITABILITY

	Total (000)	Top Half (000)	Bottom Half (000)	Loss (000)
Assets:				
Current Assets	$ 975	$1,489	$ 693	$ 292
Gross Fixed Assets	6,203	7,097	6,245	3,456
Less: Depreciation	(2,075)	(2,512)	(2,025)	(934)
Other Assets	1,243	1,076	1,627	602
TOTAL ASSETS	$6,346	$7,150	$6,540	$3,416
Liability & Net Worth				
Current Liabilities	$ 805	$ 664	$ 925	$ 862
Long-Term Debt	1,782	1,833	1,933	1,191
Subordinated Debt	303	327	230	443
Deferred Taxes	80	140	49	0
Other Liabilities	263	16	577	67
Net Worth				
Invested	2,053	1,550	2,708	1,609
Retained Earnings	1,060	2,620	118	(756)
TOTAL LIABILITIES & NET WORTH	$6,346	$7,150	$6,540	$3,416
Base	(110)	(47)	(47)	(16)

TABLE 39

ECONOMIC RATIOS–BY PROFITABILITY

	Total	Top Half	Bottom Half	Loss	Your Ski Area
VTF/Hour (000)	6,159	7,787	5,277	4,077	____
VTF/Hour - Demand/Skier Capacity	1,632	1,639	1,613	1,665	____
Skier Capacity	3,773	4,751	3,271	2,448	____
Days/Nights of Operation	130	130	135	112	____
Season Capacity (000)	521	661	458	305	____
Actual Skier Visits (000)	207	285	173	87	____
Profit (Loss) Before Tax (000)	$ 679	$1,756	$ 116	$(754)	$____
Plus: Depreciation (000)	$ 427	$ 487	$ 388	$ 372	$____
Before Tax Cash Flow (000)	$1,106	$2,243	$ 504	$(382)	$____
Operating Profit (Loss) (000)	$ 986	$2,102	$ 390	$(465)	$____
Cash Operating Costs (000)	$2,183	$2,664	$2,001	$1,353	$____
Gross Fixed Assets (000)	$6,740	$7,901	$6,411	$4,458	$____
Long Term Debt (000)	$2,085	$2,072	$2,118	$1,452	$____
Equity (000)	$3,113	$3,999	$2,767	$ 759	$____
Critical Ratios					
Health (Debt to Cash Flow)	1.9X	0.9X	4.2X	-	____ X
Profitability:					
Operating Profit on GFA	14.62%	26.60%	6.09%	Loss	____ %
Profit (BT) on Equity	21.8%	43.9%	4.2%	Loss	____ %
Performance:					
Average Utilization	39.7%	43.1%	37.77%	28.5%	____ %
Days/Nights of Operation	130	130	135	112	____
Policy & Planning:					
Capital/Capacity Ratio	$1,786	$1,663	$1,960	$1,821	$____
Operating/Capacity Ratio	$ 4.19	$ 4.03	$ 4.37	$ 4.44	$____
Revenue/Skier Visit:					
Ski Lift Gross	$12.46	$12.68	$12.22	$11.62	$____
Ski School Margin	$ .39	$ .41	$ .38	$ .20	$____
Food Service Margin	$ .45	$ .46	$ .48	$ .26	$____
Bar Margin	$ .25	$ .22	$ .29	$ .33	$____
Ski Shop Margin	$ .25	$ .26	$ .23	$ .26	$____
Ski Rental Margin	$ .47	$ .50	$ .41	$ .49	$____
Other Margin	$ .13	$ .16	$ .09	$ .06	$____
Total - Revenue/Skier Visit	$14.40	$14.69	$14.10	$13.22	$____
Base	(115)	(49)	(48)	(18)	

VI

SKI AREA DEPARTMENTAL OPERATIONS

Skiers require a variety of supporting services in order to participate in their sport. In general, these services are revenue producers and each should be organized to provide some contribution to gross margin.

Departmental Operations

Table 40 summarizes the departmental operations for 12 departments during both winter and summer seasons. Since the range of supporting services varies substantially, this data represents averages from among only those areas who reported owning and operating such supporting services. The number of ski areas reporting such operations is noted in the right hand column labeled "base." For example, only 31 ski areas or 27 percent reported operating accommodations, thus the data shown are from a sample of only 31.

In addition to the departmental direct cost breakdown, Table 40 includes gross sales per skier visit for the seven major categories. These departments account for 85 percent of ski area gross revenue. These averages have also been calculated using only those ski areas that report owning and operating these departments. Thus, the gross margins calculated from Table 40 will not equate with the average ski industry margins shown with the economic ratios (Table 31). For instance, the bar department margin on Table 40 amounts to \$0.43/skier visit (\$.94 x 46.1%) whereas on Table 31 it is shown as \$0.25/skier visit. While the industry average is based on all 115 respondents, the Table 40 data is based on only the 60 respondents who own and operate a bar.

One upgraded item involves cost of goods sold in the rental department. The last four surveys asked specifically for including a rental equipment depreciation allowance under cost of goods sold since this equipment is typically replaced every three to five seasons.

Tables 41 through 43 summarize departmental data by profitability. This breakdown is also included by ski area type (Tables 44-46) and by geographic region (Chapter VII, Table 58).

Ski Area Concessions

Table 47 summarizes ski area concession operations.

Ski Area Employment

Tables 48 and 49 summarize ski area employment. These 115 ski areas employed an average of 24,725 persons daily. If the balance of the ski areas had similar staffing, the ski area industry employed an average of 48,480 persons daily.

Ski Lift Department Detail

Table 50 contains the ski lift department breakdowns.

Ski Area Insurance Costs

Ski area insurance costs have been a major concern of the industry over the recent past. Seventy-one ski areas provided data concerning property, etc., and liability insurance costs. Their cost experience was:

Property Insurance Expense	$ 41,958	(39.1%)
Liability Insurance Expense	65,394	(60.9%)
Total Insurance Expense	$107,352	(100.0%)

Forty-four ski areas lumped their insurance costs together and reported a cost of $86,114. Assuming that the property/liability ratio remains the same for the 44 ski areas who provided only one lumped figure results in allocating 39.1 percent to property and 60.9 percent to liability. Thus, the 1981-82 figures probably look like this for the average ski area:

Cost–Property Insurance	$ 38,797	(39.1%)
Cost–Liability Insurance	60,429	(60.9%)
Cost–Total Insurance	$ 99,226	(100.0%)

Logically property insurance is some function of the property value, while liability insurance is typically measured as a percent of revenue. Thus the following relationships have been calculated:

Property Insurance	/	Gross Fixed Assets		
$38,797	/	$6,740,052	=	0.6%
Liability Insurance	/	Total Revenue		
$60,429	/	$3,595,000	=	1.7%
Liability Insurance	/	Gross Operating Revenue[a]		
$60,429	/	$4,208,000	=	1.4%

[a] For purposes of this measure Gross Operating Revenue is defined as all gross revenue less real estate and utility departmental revenue and less all concession revenue.

TABLE 40

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
TOTAL SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$12.46	100.0%	- %	21.6%	28.1%	50.3%	(115)
Ski School	1.31	100.0%	-	59.3	7.7	33.0	(96)
Food Service	2.42	100.0%	36.1	30.6	12.5	20.8	(81)
Bar	.94	100.0%	26.6	17.6	9.7	46.1	(60)
Retail	1.30	100.0%	55.3	11.9	3.9	28.9	(57)
Rental	1.08	100.0%	14.5[a]	19.7	5.9	59.9	(79)
Accommodations	-	100.0%	-	30.6	38.4	31.0	(31)
Other	.49	100.0%	7.0	39.9	25.3	27.8	(87)
	$20.00						
YEAR ROUND:							
Real Estate		100.0%	21.2	5.8	9.8	63.2	(20)
Utility		100.0%	-	29.4	116.4	(45.8)	(14)
Miscellaneous		100.0%	9.2	5.5	7.3	78.0	(65)
SUMMER SEASON:							
Lift Department		100.0%	-	37.4	21.6	41.0	(20)
Food Service		100.0%	35.5	38.2	12.6	13.7	(35)
Retail		100.0%	51.1	25.7	5.1	18.1	(21)
Sports		100.0%	-	33.9	32.4	33.7	(19)
Accommodations		100.0%	-	33.7	25.4	40.9	(20)
Slide		100.0%	-	19.6	11.4	69.2	(11)

[a] Represents retirement and replacement of rental equipment.

TABLE 41

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
TOP PROFIT SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Less: Direct Labor	Less: Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$12.68	100.0%	- %	22.7%	34.2%	43.1%	(48)
Ski School	1.32	100.0%	-	60.55	6.36	33.09	(43)
Food Service	2.26	100.0%	36.11	29.45	12.39	22.05	(38)
Bar	.79	100.0%	24.94	17.61	10.31	47.14	(25)
Retail	1.16	100.0%	53.55	10.71	3.20	32.54	(26)
Rental	1.13	100.0%	13.19[a]	19.65	5.10	62.06	(37)
Accommodations	-	100.0%	-	26.23	43.28	30.49	(16)
Other	.55	100.0%	8.48	42.94	20.04	28.54	(39)
	$19.89						
YEAR ROUND:							
Real Estate		100.0%	14.05	5.04	5.02	75.89	(9)
Utility		100.0%	-	15.67	55.22	29.11	(4)
Miscellaneous		100.0%	5.54	1.05	0.83	92.58	(32)
SUMMER SEASON:							
Lift Department		100.0%	-	22.24	19.03	58.73	(8)
Food Service		100.0%	41.80	46.25	12.68	(0.73)	(18)
Retail		100.0%	55.31	26.38	7.04	11.27	(11)
Sports		100.0%	-	45.35	49.04	5.61	(6)
Accommodations		100.0%	-	59.68	44.00	(3.68)	(8)
Slide		100.0%	-	18.71	9.04	72.25	(8)

[a] Represents retirement and replacement of rental equipment.

TABLE 42

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
BOTTOM PROFIT SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Less: Direct Labor	Less: Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$12.22	100.0%	- %	19.54%	10.01%	70.45%	(49)
Ski School	1.26	100.0%	-	53.98	9.74	36.28	(40)
Food Service	2.62	100.0%	35.35	31.09	10.87	22.69	(32)
Bar	1.01	100.0%	27.54	16.59	7.73	48.14	(26)
Retail	1.56	100.0%	58.56	12.67	4.95	23.82	(22)
Rental	1.06	100.0%	15.84[a]	17.74	7.62	58.80	(30)
Accommodations	-	100.0%	-	31.33	34.43	34.24	(16)
Other	0.38	100.0%	1.97	31.11	42.32	24.60	(35)
	$20.11						
YEAR ROUND:							
Real Estate		100.0%	38.19	10.85	32.08	18.88	(9)
Utility		100.0%	-	31.43	125.19	(56.62)	(9)
Miscellaneous		100.0%	17.53	7.32	3.62	71.53	(28)
SUMMER SEASON:							
Lift Department		100.0%	-	76.10	29.59	5.69	(11)
Food Service		100.0%	32.47	34.26	12.14	21.13	(14)
Retail		100.0%	48.76	23.21	1.83	26.20	(9)
Sports		100.0%	-	30.96	28.38	40.66	(14)
Accommodations		100.0%	-	27.48	20.54	51.98	(9)
Slide		100.0%	-	23.22	15.48	61.30	(2)

[a] Represents retirement and replacement of rental equipment.

TABLE 43

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
LOSS SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Less: Direct Labor	Less: Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$11.62	100.0%	- %	32.80%	22.64%	44.56%	(18)
Ski School	1.46	100.0%	-	72.25	10.94	16.81	(13)
Food Service	3.04	100.0%	37.74	36.73	15.40	10.13	(11)
Bar	1.80	100.0%	29.85	20.56	13.71	35.88	(9)
Retail	1.36	100.0%	52.80	16.51	3.66	27.03	(9)
Rental	1.47	100.0%	19.03[a]	26.79	6.13	48.05	(12)
Accommodations	-	100.0%	-	48.88	47.50	3.62	(6)
Other	.44	100.0%	10.89	37.97	20.00	31.14	(13)
	$21.19						
YEAR ROUND:							
Real Estate		100.0%	50.52	-	-	49.48	(2)
Utility		100.0%	-	-	-	100.00	(1)
Miscellaneous		100.0%	-	36.85	86.06	(22.91)	(5)
SUMMER SEASON:							
Lift Department		100.0%	-	116.56	28.48	(45.04)	(1)
Food Service		100.0%	39.04	44.74	21.49	(5.27)	(2)
Retail		100.0%	41.92	34.13	10.78	13.17	(1)
Sports		100.0%	-	200.00	100.00	(200.00)	(1)
Accommodations		100.0%	-	62.67	77.33	(40.00)	(2)
Slide		100.0%	-	28.17	81.69	(9.86)	(1)

[a] Represents retirement and replacement of rental equipment.

TABLE 44

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
VACATION ORIENTED SKI AREAS, 1981-82

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$13.19	100.0%	- %	19.86 %	10.07%	70.07%	(46)
Ski School	1.50	100.0%	-	62.56	8.30	29.14	(41)
Food Service	2.50	100.0%	33.91	31.89	14.53	19.67	(31)
Bar	1.05	100.0%	24.50	16.59	11.07	47.84	(23)
Retail	1.27	100.0%	55.20	11.82	3.70	29.28	(23)
Rental	.83	100.0%	13.19[a]	20.92	8.93	56.96	(30)
Accommodations	-	100.0%	-	29.32	34.29	36.39	(19)
Other	.45	100.0%	4.59	35.14	34.67	25.60	(35)
	$20.79						
YEAR ROUND:							
Real Estate		100.0%	20.28	5.97	9.20	64.55	(14)
Utility		100.0%	-	27.55	122.73	(50.28)	(8)
Miscellaneous		100.0%	9.06	3.94	2.12	84.88	(35)
SUMMER SEASON:							
Lift Department		100.0%	-	32.21	22.62	45.17	(13)
Food Service		100.0%	32.24	35.07	12.06	20.63	(13)
Retail		100.0%	43.68	29.09	7.44	19.79	(18)
Sports		100.0%	-	34.58	33.37	32.05	(15)
Accommodations		100.0%	-	29.07	23.34	47.59	(12)
Slide		100.0%	-	29.52	11.03	59.45	(4)

[a] Represents retirement and replacement of rental equipment.

TABLE 45

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
DAY SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Less: Direct Labor	Less: Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$10.34	100.0%	- %	20.39%	12.59%	67.02%	(48)
Ski School	.99	100.0%	-	53.41	9.36	37.23	(39)
Food Service	2.08	100.0%	37.54	27.04	10.11	25.31	(38)
Bar	.97	100.0%	29.60	18.35	7.53	44.52	(28)
Retail	1.18	100.0%	54.95	12.81	4.86	27.38	(26)
Rental	1.76	100.0%	16.00[a]	17.71	3.91	62.38	(36)
Accommodations	-	100.0%	-	47.57	45.39	7.04	(5)
Other	.27	100.0%	5.31	55.01	19.71	19.97	(37)
	$17.59						
YEAR ROUND:							
Real Estate		100.0%	-	1.82	-	98.18	(3)
Utility		100.0%	-	60.87	38.04	1.09	(4)
Miscellaneous		100.0%	9.86	19.23	50.19	20.72	(23)
SUMMER SEASON:							
Lift Department		100.0%	-	119.51	-	(19.51)	(3)
Food Service		100.0%	47.28	35.82	18.51	(1.61)	(9)
Retail		100.0%	54.55	18.18	-	27.27	(2)
Sports		100.0%	-	25.66	23.68	50.66	(3)
Accommodations		100.0%	-	27.54	26.09	46.37	(3)
Slide		100.0%	-	19.33	20.91	59.76	(3)

[a] Represents retirement and replacement of rental equipment.

TABLE 46

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
WEEKEND SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Less: Direct Labor	Less: Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$12.83	100.0%	- %	15.55%	8.25%	76.20%	(19)
Ski School	1.10	100.0%	-	51.68	3.43	44.89	(15)
Food Service	2.68	100.0%	39.96	30.86	7.63	21.55	(12)
Bar	.66	100.0%	28.77	19.60	8.60	43.03	(9)
Retail	1.55	100.0%	56.09	11.04	3.29	29.58	(8)
Rental	.96	100.0%	14.14[a]	21.16	3.60	61.10	(13)
Accommodations	-	100.0%	-	32.69	51.97	15.34	(7)
Other	.92	100.0%	11.53	41.97	13.07	33.43	(14)
	$20.70						
YEAR ROUND:							
Real Estate		100.0%	45.31	3.16	25.69	25.84	(3)
Utility		100.0%	-	10.87	126.09	(36.96)	(2)
Miscellaneous		100.0%	9.85	2.61	3.18	84.36	(7)
SUMMER SEASON:							
Lift Department		100.0%	-	63.83	17.82	18.35	(4)
Food Service		100.0%	44.27	52.18	12.52	(8.97)	(7)
Retail		100.0%	62.08	20.79	1.61	15.52	(6)
Sports		100.0%	-	22.73	9.09	68.18	(3)
Accommodations		100.0%	-	74.80	42.99	(17.79)	(4)
Slide		100.0%	-	13.96	9.43	76.61	(4)

[a] Represents retirement and replacement of rental equipment.

TABLE 47

SKI AREA CONCESSION OPERATIONS

Supporting Departments	Percent of Ski Areas			Average Concession Revenue (000)
	Do Not Have	Own	Concession	
WINTER SEASON:				
Ski School	1.7%	83.5%	14.8%	$11.8
Food Service	1.7	70.4	27.8	73.4
Bar	26.1	54.8	19.1	47.9
Retail Shop	15.7	49.6	34.8	23.3
Rental Shop	11.3	68.7	20.0	27.7
Accommodations	71.3	27.0	1.7	44.0
SUMMER SEASON:				
Food Service	65.2	30.4	4.3	20.8
Retail Shop	79.1	19.1	1.7	5.5
Sports Department	80.9	18.3	0.9	46.0
Accommodations	82.6	16.5	0.9	4.0

TABLE 48

NUMBER OF EMPLOYEES PER AVERAGE DAY BY DEPARTMENT

	Lift	Ski School	Food Service	Rental Shop	Bar	Retail Store	Accom-moda-tions	Other	Total[a]
Total Sample	48	32	29	9	6	5	34	52	169
Geographic:									
New England	32	23	26	6	7	6	37	63	160
East	34	20	31	10	8	3	64	32	151
Midwest	23	7	18	9	5	3	10	15	77
Central Rockies	76	59	31	8	6	6	18	57	215
Northern Rockies	35	33	24	4	8	3	25	16	110
California & Nevada	70	43	52	16	7	8	34	127	290
Pacific Northwest	37	12	17	6	5	4	12	18	95
Type:									
Day	27	13	13	6	3	2	11	16	73
Weekend	50	32	45	13	9	7	31	70	226
Vacation	69	51	42	9	10	7	38	76	252
Weekend Only	10	7	3	0	0	2	0	0	20
Profitability:									
Top Profit	56	42	36	11	8	6	40	66	212
Bottom Profit	45	27	26	7	5	5	36	45	155
Loss	29	16	15	4	4	2	13	19	80
By Size (000) (VTF/Hour):									
Under 1,000	7	6	4	3	1	0	0	11	26
1,000 - 2,499	13	9	11	5	2	2	35	19	65
2,500 - 3,999	24	14	11	7	3	2	12	25	77
4,000 - 5,499	33	22	18	8	6	3	20	29	118
Over 5, 500	85	57	59	12	12	9	46	88	297

[a] Will not add due to various different base responses.

TABLE 49

NUMBER OF EMPLOYEES PER PEAK DAY BY DEPARTMENTS

	Lift	Ski School	Food Service	Rental Shop	Bar	Retail Store	Accom-moda-tions	Other	Total[a]
Total Sample	61	54	41	14	10	8	43	62	234
Geographic:									
New England	46	44	40	10	11	8	44	82	235
East & Ontario	45	46	41	17	11	5	80	38	220
Midwest	37	19	40	19	11	7	40	28	160
Central Rockies	90	85	42	12	10	9	25	59	274
Northern Rockies	46	51	33	7	12	5	26	23	156
California & Nevada	81	64	60	21	8	10	38	145	349
Pacific Northwest	54	41	30	11	11	6	20	27	172
Type:									
Day	40	42	23	12	5	4	14	24	137
Weekend	64	51	53	17	12	10	35	76	281
Vacation	82	70	59	14	15	10	50	89	325
Weekend Only	18	13	5	0	0	3	0	0	37
Profitability:									
Top Profit	71	68	49	17	12	8	47	80	289
Bottom Profit	57	48	37	11	9	8	46	53	216
Loss	39	32	23	8	8	4	18	28	124
By Size (000) (VTF/Hour):									
Under 1,000	12	22	7	7	1	0	0	20	58
1,000 - 2,499	22	22	18	10	5	4	51	23	110
2,500 - 3,999	35	41	22	11	5	4	17	37	139
4,000 - 5,499	44	43	31	13	11	5	28	36	180
Over 5, 500	104	84	76	18	17	13	54	104	382

[a] Will not add due to various different base responses.

TABLE 50

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN
BY PROFITABILITY

	Total Sample	High	Low	Loss	Your Ski Area
SKI LIFT GROSS:					
Revenue (Winter)	100.00%	100.00%	100.00%	100.00%	____%
LESS:					
Ski Lift Payroll	6.28	5.76	6.54	10.79	____
Ski Patrol Payroll	3.12	2.90	3.00	6.29	____
Slope Maintenance Payroll	2.45	2.33	2.14	5.50	____
Maintenance & Repair Payroll	3.60	3.43	3.27	7.44	____
Ticket Sales Payroll	1.41	1.38	1.26	2.56	____
Other Payroll	1.51	0.99	2.01	4.60	____
TOTAL PAYROLL	18.34	16.79	18.22	37.18	____
OTHER DIRECT	9.46	8.42	9.61	20.70	____
GROSS MARGIN	72.20%	74.79%	72.17%	42.12%	____%
Base	(85)	(40)	(34)	(11)	

VII

REGIONAL SKI AREA CHARACTERISTICS

This chapter offers a look at ski area similarities and differences by geographic regions. Table 51 summarizes the significant ski area characteristics, while Table 52 presents the eight critical variables by geographic location. Tables 53-55 contain average regional area income statements compared to both gross fixed assets and revenue. Table 56 illustrates lift department direct costs. Table 57 breaks out the regional balance sheets. Table 58 summarizes departmental breakdowns. Again due to the large number of tables, they all appear at the end of the chapter.

Observations

The larger areas are found in the Rockies and the West where the mountains are larger and the snow cover deeper and more dependable. This also means that the Rockies contain a larger share of the vacation areas while the other sections are heavy on day use areas. There are many more beds at Rockies areas, again indicative of their focus on vacation destination resorts.

Eastern and Midwestern areas depend heavily upon snowmaking. Divisions of terrain by difficulty appear rather standard all across the nation. This can be misleading as each ski area classifies their terrain in relation to other terrain at that area. What in Colorado may be more difficult (intermediate) might be most difficult (expert) in Wisconsin.

Variations in profitability are most evident when analyzing data on this geographic regional breakdown. Winter weather is the most significant factor, followed by population concentrations.

Table 50-A summarizes the critical performance variable operating profit on GFA for each region over the past five seasons. The California-Nevada region illustrates the most consistently high returns combining reasonable winter weather patterns with a high population concentration.

New England ski areas enjoyed a resurgence where all measures improved. Midwest ski areas continue with poorer results, based mainly on a low utilization, but did improve this year.

The East and Ontario region illustrates remarkable balance in the critical factors resulting in excellent earning power and a steady annual performance. They, too, are blessed with high population concentrations, fickle weather patterns and relatively short seasons. However, with a

dependance on snowmaking, a high proportion (80 percent) of night operations, an above average utilization, reasonable revenue per skier visit, and control over operating costs these "banana belt" ski areas continue to deserve high marks.

The Central Rockies areas recovered somewhat from the 1980-81 poor snow year. Typically profitability is high based on long seasons, high utilizations, high revenues per skier visit and a high operating cost/capacity ratio. The Central Rockies areas have the highest concentration of vacation oriented ski resorts.

Typically the Northern Rockies areas achieve a rather steady 16 percent return with lower prices and revenue per skier visit coupled with considerably lower operating cost/capacity ratios. They, too, show nice recovery from the 1980-81 adverse snow conditions.

The Pacific Northwest region ski areas, including five Western Canadian ski areas, have a distinctly different business philosophy. Prices, revenue per skier visit, operating cost and utilization are all well below ski industry averages. The results, as measured by operating profit on GFA, are significantly below the industry average.

TABLE 50A

FIVE YEAR COMPARISON
OPERATING PROFIT ON GFA

	1981-82	1980-81	1979-80	1978-79	1977-78
New England	10.7%	6.0%	Loss	7.8%	9.5%
East & Ontario	13.8	11.8	10.3%	12.0	24.7
Midwest	6.1	2.6	2.5	3.7	11.8
Central Rockies	13.0	3.9	19.2	18.4	15.9
Northern Rockies	23.2	3.8	16.4	16.3	16.9
California & Nevada	23.1	9.5	23.9	20.0	27.4
Pacific Northwest	6.5	0.3	11.0	8.3	15.3
TOTAL SAMPLE	14.6%	5.5%	12.1%	13.8%	16.2%

TABLE 51

AVERAGE SKI AREA CHARACTERISTICS BY GEOGRAPHIC LOCATION

	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
SIZE							
VTF/Hour (000)	5,666	3,383	2,166	7,854	6,566	9,203	6,508
Gross Fixed Assets (000)	$6,321	$4,559	$1,958	$10,454	$6,229	$9,113	$5,257
Skiable Acres	173	143	72	500	1,150	1,018	907
LOCATION							
Within 50 Miles of SMSA	21%	47%	50%	20%	54%	27%	25%
With 6+ Areas in 1 Hour	95%	27%	8%	24%	0%	40%	0%
SITE CHARACTERISTICS							
Number of Beds at Base	408	149	76	2,930	748	2,303	384
Number of Beds (10 Miles)	2,329	1,619	1,180	9,196	2,168	7,438	710
With Snowmaking	84%	93%	92%	76%	31%	33%	13%
With Night Skiing	16%	80%	83%	8%	38%	27%	50%
Terrain: Beginner	30%	26%	33%	25%	19%	25%	24%
Intermediate	48%	52%	49%	45%	51%	49%	50%
Expert	22%	22%	18%	29%	30%	26%	26%
BUSINESS CHARACTERISTICS							
Operating With USFS Permit	26%	0%	8%	92%	77%	80%	63%
Engaged in Land Development	47%	27%	50%	44%	31%	20%	31%
OPERATIONAL CHARACTERISTICS							
Average Days/Nights of Operation	121	123	135	123	130	135	147
Average Peak Day Crowd	4,268	3,684	2,263	5,081	3,515	6,182	4,031
Average Skier Visits (000)	188	146	81	272	165	356	176
Average Age of Ski Areas	29	23	25	22	24	25	18
ECONOMIC CHARACTERISTICS							
Average Revenue/Skier Visit	$15.71	$13.85	$11.75	$14.98	$11.49	$16.13	$11.49
Avg. Lift Ticket Revenue/S-V	$12.66	$10.75	$ 9.07	$13.64	$10.67	$14.01	$10.18
Avg. Adult Lift Ticket Price (Weekend)	$17.36	$15.26	$13.60	$16.18	$13.42	$17.03	$14.79
Avg. Adult Lift Ticket Price (Weekday)	$14.92	$12.26	$10.58	$15.86	$12.84	$16.70	$13.75
Average Night Ticket Price	$ 8.33	$ 9.04	$ 8.33	$ 6.00	$ 7.40	$ 8.50	$ 8.92
Avg. Adult Season Ticket Price	$ 3.24	$ 2.65	$ 2.01	$ 3.00	$ 3.05	$ 3.88	$ 2.99
Average Utilization	38%	50%	26%	56%	38%	39%	26%
Average Profit (Loss) Before Tax	$ 455	$ 444	$ 8	$ 744	$1,302	$1,845	$ (36)
Ratio: Revenue/GFA	52%	52%	53%	50%	56%	66%	43%
Base	(19)	(15)	(12)	(25)	(13)	(15)	(16)

TABLE 52

ECONOMIC RATIOS–BY GEOGRAPHIC LOCATION

	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
VTF/Hour (000)	5,666	3,383	2,166	7,854	6,566	9,203	6,508
VTF/Hour - Demand/Skier Capacity	1,500	1,500	1,000	2,000	2,000	1,500	1,500
Skier Capacity	3,777	2,255	2,166	3,927	3,283	6,135	4,338
Days/Nights of Operation	121	123	135	123	130	135	147
Season Capacity (000)	491	292	307	488	436	912	684
Actual Skier Visits (000)	188	146	81	272	165	356	176
Profit (Loss) Before Tax (000)	$ 455	$ 444	$ 8	$ 744	$1,302	$1,845	$ (37)
Plus: Depreciation (000)	$ 340	$ 270	$ 109	$ 767	$ 317	$ 615	$ 301
Before Tax Cash Flow (000)	$ 795	$ 714	$ 117	$1,511	$1,619	$2,460	$ 265
Operating Profit (Loss) (000)	$ 675	$ 629	$ 120	$1,355	$1,445	$2,102	$ 340
Cash Operating Costs (000)	$2,282	$1,481	$ 807	$3,136	$1,705	$3,295	$1,604
Gross Fixed Assets (000)	$6,321	$4,559	$1,958	$10,454	$6,229	$9,113	$5,257
Long Term Debt (000)	$2,100	$1,435	$ 664	$3,092	$2,542	$1,485	$2,515
Equity (000)	$2,132	$1,969	$ 376	$5,911	$3,815	$4,639	$1,136
Critical Ratios							
Health (Debt to Cash Flow)	2.64X	2.01X	5.68X	2.05X	1.57X	.60X	9.49X
Profitability:							
Operating Profit on GFA	10.68%	13.80%	6.13%	12.97%	23.21%	23.06%	6.46%
Profit (BT) on Equity	21.34%	22.55%	2.13%	12.59%	34.13%	39.77%	Loss
Performance:							
Average Utilization	38.29%	50.00%	26.38%	55.73%	37.84%	39.04%	25.73%
Days/Nights of Operation	121	123	135	123	130	135	147
Policy & Planning:							
Capital/Capacity Ratio	$1,674	$2,022	$ 904	$2,662	$1,897	$1,485	$1,212
Operating/Capacity Ratio	$ 4.65	$ 5.07	$ 2.62	$ 6.42	$ 3.91	$ 3.61	$ 2.35
Revenue/Skier Visit:							
Ski Lift Gross	$12.66	$10.75	$ 9.07	$13.64	$10.67	$14.01	$10.18
Ski School Margin	$ .43	$ .64	$ .09	$ .48	$ .17	$ .45	$ .05
Food Service Margin	$ .80	$ .69	$ .55	$ .35	$ .12	$ .45	$ .30
Bar Margin	$ .50	$ .38	$ .53	$ .11	$ .21	$ .09	$ .44
Ski Shop Margin	$ .46	$ .18	$ .34	$ .16	$ .08	$ .31	$ .24
Ski Rental Margin	$ .67	$ .83	$ 1.35	$ .25	$ .15	$ .47	$ .36
Other Margin	$ .19	$ .38	$ (.18)	$ (.01)	$ 09	$ .35	$ (.08)
Total - Revenue/Skier Visit	$15.71	$13.85	$11.75	$14.98	$11.49	$16.13	$11.49
Base	(19)	(15)	(12)	(25)	(13)	(15)	(16)

TABLE 53

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY GEOGRAPHIC LOCATION

	New England (000)	East & Ontario (000)	Midwest (000)	Central Rockies (000)	Northern Rockies (000)	California & Nevada (000)	Pacific Northwest (000)
Gross Fixed Assets	$6,321	$4,559	$1,958	$10,454	$6,229	$9,113	$5,257
Revenue:							
Ski Lift Gross - Winter	$2,379	$1,573	$ 733	$ 3,711	$1,757	$4,992	$1,795
Ski Lift Gross - Summer	30	0	0	22	35	133	9
Supporting Margin - Winter	703	567	243	396	153	770	242
Supporting Margin - Summer	115	109	51	110	6	(21)	51
Year Round Margin	70	131	9	1,019	1,516	138	148
TOTAL REVENUE	$3,297	$2,380	$1,035	$ 5,258	$3,467	$6,012	$2,245
Less:							
Ski Lift Direct Expense	$ 508	$ 422	$ 227	$ 1,300	$ 753	$1,114	$ 730
Payroll Taxes	222	71	31	106	64	190	56
Property Operation	387	13	64	183	48	303	88
OPERATIONS MARGIN	$2,180	$1,874	$ 714	$ 3,669	$2,602	$4,405	$1,371
Less:							
General & Administrative	$ 407	$ 388	$ 255	$ 697	$ 358	$ 686	$ 372
Marketing (advertising, public relations, promotion, etc.)	269	143	52	276	164	190	147
Insurance (property, liability)	95	78	63	109	81	193	69
Land Use Fees (public)	43	6	4	99	22	152	40
Land Use Fees (private)	12	0	8	26	47	15	2
Property Taxes	40	31	21	75	52	101	42
Other Taxes (except income)	52	48	17	104	33	56	6
Snowmaking	185	237	51	109	23	95	0
Snow Removal	5	2	1	17	16	25	13
Miscellaneous	57	42	13	35	44	175	39
Depreciation & Amortization	340	270	109	767	317	615	301
OPERATING PROFIT (LOSS)	$ 675	$ 629	$ 120	$ 1,355	$1,445	$2,102	$ 340
Less: Interest	220	185	112	611	143	257	377
PROFIT (LOSS) BEFORE TAX	$ 455	$ 444	$ 8	$ 744	$1,302	$1,845	$ (37)
Base	(19)	(15)	(12)	(25)	(13)	(15)	(16)

TABLE 54

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY GEOGRAPHIC LOCATION

	Percent of Gross Fixed Assets						
	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
Gross Fixed Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue:							
Ski Lift Gross - Winter	37.64%	34.50%	37.44%	35.50%	28.21%	54.78%	34.14%
Ski Lift Gross - Summer	.47	0.00	0.00	.21	0.56	1.46	0.17
Supporting Margin - Winter	11.12	12.44	12.41	3.79	2.46	8.45	4.60
Supporting Margin - Summer	1.82	2.39	2.60	1.05	0.10	(0.23)	0.97
Year Round Margin	1.10	2.87	.46	9.75	24.34	1.51	2.82
TOTAL REVENUE	52.15%	52.20%	52.91%	50.30%	55.67%	65.97%	42.70%
Less:							
Ski Lift Direct Expense	8.04%	9.26%	11.59%	12.44%	12.09%	12.23%	13.89%
Payroll Taxes	3.51	1.56	1.58	1.01	1.03	2.08	1.08
Property Operation	6.12	0.29	3.27	1.75	0.77	3.32	1.67
OPERATIONS MARGIN	34.48%	41.09%	36.47%	35.10%	41.78%	48.34%	26.08%
Less:							
General & Administrative	6.44%	8 51%	13.02%	6.67%	5.75%	7.52%	7.08%
Marketing (advertising, public relations, promotion, etc.)	4.26	3.14	2.66	2.65	2.63	2.08	2.80
Insurance (property, liability)	1.50	1.70	3.22	1.04	1.30	2.12	1.31
Land Use Fees (public)	0.68	0.12	0.20	0.95	0.35	1.68	0.76
Land Use Fees (private)	0.19	0.00	0.41	0.25	0.75	0.16	0.04
Property Taxes	0.63	0.68	1.07	0.72	0.83	1.11	0.80
Other Taxes (except income)	0.81	1.05	0.87	0.99	0.53	0.61	0.10
Snowmaking	2.93	5.20	2.60	1.04	0.37	1.04	0.00
Snow Removal	0.08	0.04	0.05	0.16	0.26	0.27	0.25
Miscellaneous	0.90	0.92	0.66	0.33	0.71	1.93	0.73
Depreciation & Amortization	5.38	5.92	5.57	7.34	5.09	6.75	5.73
OPERATING PROFIT (LOSS)	10.68%	13.81%	6.14%	12.96%	23.21%	23.07%	6.48%
Less: Interest	3.48	4.05	5.73	5.84	2.30	2.82	7.18
PROFIT (LOSS) BEFORE TAX	7.20%	9.74%	0.41%	7.12%	20.91%	20.25%	(0.70)%
Base	(19)	(15)	(12)	(25)	(13)	(15)	(16)

TABLE 55

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY GEOGRAPHIC LOCATION

	Percent of Revenue						
	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
Revenue:							
Ski Lift Gross - Winter	72.16%	66.09%	70.75%	70.58%	50.68%	83.03%	79.96%
Ski Lift Gross - Summer	0.91	0.00	0.00	0.42	1.01	2.21	0.40
Supporting Margin - Winter	21.32	23.82	23.46	7.53	4.41	12.81	10.78
Supporting Margin - Summer	3.49	4.58	4.92	2.09	0.17	(0.35)	2.27
Year Round Margin	2.12	5.51	0.87	19.38	43.73	2.30	6.59
TOTAL REVENUE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Less:							
Ski Lift Direct Expense	15.41%	17.73%	21.91%	24.72%	21.72%	18.53%	32.52%
Payroll Taxes	6.73	2.98	2.99	2.02	1.85	3.16	2.49
Property Operation	11.74	0.55	6.18	3.48	1.38	5.04	3.92
OPERATIONS MARGIN	66.12%	78.74%	68.92%	69.78%	75.05%	73.27%	61.07%
Less:							
General & Administrative	12.34%	16.30%	24.61%	13.26%	10.33%	11.41%	16.57%
Marketing (advertising, public relations, promotion, etc.)	8.16	6.01	5.02	5.25	4.73	3.16	6.55
Insurance (property, liability)	2.88	3.28	6.08	2.07	2.34	3.21	3.07
Land Use Fees (public)	1.30	0.25	0.39	1.88	0.63	2.53	1.78
Land Use Fees (private)	0.36	0.00	0.77	0.49	1.36	0.25	0.09
Property Taxes	1.21	1.30	2.03	1.43	1.50	1.68	1.87
Other Taxes (except income)	1.58	2.02	1.64	1.98	0.95	0.93	0.27
Snowmaking	5.61	9.96	4.92	2.07	0.66	1.58	0.00
Snow Removal	0.15	0.08	0.10	0.32	0.46	0.42	0.58
Miscellaneous	1.74	1.77	1.26	0.67	1.27	2.91	1.74
Depreciation & Amortization	10.31	11.34	10.52	14.59	9.13	10.23	13.41
OPERATING PROFIT (LOSS)	20.47%	26.43%	11.58%	25.77%	41.68%	34.96%	15.14%
Less: Interest	6.67	7.77	10.81	11.62	4.13	4.27	16.79
PROFIT (LOSS) BEFORE TAX	13.80%	18.66%	0.77%	14.15%	37.55%	30.69%	(1.65)%
Base	(19)	(15)	(12)	(25)	(13)	(15)	(16)

TABLE 56

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN
BY GEOGRAPHIC LOCATION

	New England	East & Ontario	Midwest	Central Rockies	Northern Rockies	California & Nevada	Pacific Northwest
SKI LIFT GROSS:							
Revenue (Winter)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
LESS:							
Ski Lift Payroll	5.27	5.75	7.02	6.82	7.45	5.50	8.21
Ski Patrol Payroll	1.79	1.34	0.38	4.51	4.75	2.42	3.18
Slope Maintenance Payroll	1.32	1.80	1.99	3.23	2.51	2.22	2.88
Maintenance & Repair Payroll	2.98	1.57	3.30	4.21	3.72	3.29	4.94
Ticket Sales Payroll	0.90	0 91	2.03	1.65	1.71	1.27	2.02
Other Payroll	1.02	1.80	1.23	2.84	0.64	0.45	0.84
TOTAL PAYROLL	13.28%	13.17%	15.95%	23.26%	20.78%	15.15%	22.07%
OTHER DIRECT	6.58%	11.81%	11.47%	11.19%	12.89%	6.58%	13.39%
GROSS MARGIN	80.12%	75.02%	72.58%	65.55%	66.32%	78.27%	64.54%
Base	(18)	(7)	(7)	(21)	(10)	(11)	(11)

TABLE 57

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS
BY GEOGRAPHIC LOCATION

	New England (000)	East & Ontario (000)	Midwest (000)	Central Rockies (000)	Northern Rockies (000)	California & Nevada (000)	Pacific Northwest (000)
Assets							
Current Assets	$1,170	$ 989	$ 245	$ 1,298	$ 669	$1,494	$ 575
Gross Fixed Assets	6,704	4,559	1,958	8,215	6,229	9,112	4,661
Less: Depreciation	(2,843)	(1,691)	(972)	(1,752)	(1,602)	(3,940)	(1,508)
Other Assets	1,336	338	79	2,826	1,785	859	457
TOTAL ASSETS	$6,367	$4,195	$1,310	$10,587	$7,081	$7,525	$4,185
Liabilities & Net Worth							
Current Liabilities	$ 993	$ 590	$ 259	$ 1,097	$ 643	$1,234	$ 504
Long-Term Debt	1,616	1,386	601	2,797	2,405	1,153	1,847
Subordinated Debt	484	49	63	295	137	332	668
Deferred Taxes	192	99	11	93	37	73	17
Other Liabilities	950	102	0	394	44	94	13
Net Worth							
Invested	1,084	975	202	5,338	2,023	1,546	1,208
Retained Earnings	1,048	994	174	573	1,792	3,093	(72)
TOTAL LIABILITIES & NET WORTH	$6,367	$4,195	$1,310	$10,587	$7,081	$7,525	$4,185
Base	(17)	(15)	(12)	(23)	(13)	(15)	(15)

TABLE 58

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
NEW ENGLAND SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Less: Direct Labor	Less: Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$12.66	100.0%	- %	13.33%	6.62%	80.05%	(19)
Ski School	1.13	100.0%	-	49.78	10.16	40.06	(17)
Food Service	2.86	100.0%	33.31	24.87	10.56	31.26	(15)
Bar	1.00	100.0%	23.64	12.50	5.65	58.20	(14)
Retail	2.20	100.0%	55.01	10.80	4.58	29.61	(8)
Rental	1.03	100.0%	9.09[a]	13.14	4.99	72.78	(14)
Accommodations	-	100.0%	-	21.80	35.19	43.01	(8)
Other	.51	100.0%	3.45	28.90	22.34	45.31	(15)
	$21.39						
YEAR ROUND:							
Real Estate		100.0%	34.24	14.06	41.82	9.88	(5)
Utility		100.0%	-	28.13	85.03	(13.17)	(4)
Miscellaneous		100.0%	26.78	12.05	9.11	52.06	(13)
SUMMER SEASON:							
Lift Department		100.0%	-	57.95	54.06	(12.01)	(7)
Food Service		100.0%	35.55	40.70	12.68	11.07	(11)
Retail		100.0%	60.51	29.40	5.58	4.51	(9)
Sports		100.0%	-	39.28	35.08	25.64	(8)
Accommodations		100.0%	-	37.52	32.16	30.32	(6)
Slide		100.0%	-	16.75	11.49	71.76	(3)

[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
EAST & ONTARIO SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$10.75	100.0%	- %	13.38%	13.43%	73.19%	(15)
Ski School	1.22	100.0%	-	39.90	7.35	52.75	(14)
Food Service	2.14	100.0%	36.81	29.03	7.53	26.63	(8)
Bar	1.68	100.0%	30.26	23.43	9.46	36.85	(4)
Retail	.84	100.0%	54.31	15.44	5.67	24.58	(6)
Rental	1.77	100.0%	12.05[a]	15.49	2.88	69.58	(11)
Accommodations	-	100.0%	-	30.77	40.99	28.24	(5)
Other	.45	100.0%	1.07	12.17	34.13	52.63	(13)
	$18.85						
YEAR ROUND:							
Real Estate		100.0%	8.26	12.15	29.69	49.90	(2)
Utility		100.0%	-	140.00	533.85	(573.85)	(1)
Miscellaneous		100.0%	22.24	1.21	0.99	75.56	(8)
SUMMER SEASON:							
Lift Department		100.0%	-	-	-	-	(0)
Food Service		100.0%	33.02	38.92	18.65	9.41	(4)
Retail		100.0%	52.34	22.15	1.35	24.16	(2)
Sports		100.0%	-	47.98	57.41	(5.39)	(5)
Accommodations		100.0%	-	37.79	22.67	39.54	(3)
Slide		100.0%	-	12.50	8.63	78.87	(3)

[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
MIDWEST SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Less: Direct Labor	Less: Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$ 9.07	100.0%	- %	17.86%	13.10%	69.04%	(12)
Ski School	.51	100.0%	-	59.24	16.13	24.63	(9)
Food Service	2.51	100.0%	39.19	30.17	6.96	23.69	(10)
Bar	1.41	100.0%	30.48	19.06	8.31	42.15	(9)
Retail	1.45	100.0%	55.83	12.49	1.64	30.04	(7)
Rental	2.13	100.0%	14.23[a]	18.43	4.83	62.51	(12)
Accommodations	-	100.0%	-	20.99	45.45	33.56	(4)
Other	.26	100.0%	3.30	178.30	7.55	(89.15)	(10)
	$17.34						
YEAR ROUND:							
Real Estate		100.0%	-	-	-	-	(0)
Utility		100.0%	-	50.00	75.00	(25.00)	(1)
Miscellaneous		100.0%	3.94	6.30	7.08	82.68	(4)
SUMMER SEASON:							
Lift Department		100.0%	-	-	-	-	(0)
Food Service		100.0%	36.11	32.92	10.55	20.42	(4)
Retail		100.0%	28.57	48.57	5.72	17.14	(2)
Sports		100.0%	-	19.78	12.81	67.41	(4)
Accommodations		100.0%	-	25.70	31.33	42.97	(3)
Slide		100.0%	-	28.17	81.69	(9.86)	(1)

[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
CENTRAL ROCKIES SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Less: Direct Labor	Less: Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$13.64	100.0%	- %	23.37%	11.23%	65.40%	(25)
Ski School	2.06	100.0%	-	66.64	6.64	26.72	(22)
Food Service	2.70	100.0%	33.38	34.00	17.21	15.41	(17)
Bar	.62	100.0%	26.40	19.03	12.62	41.95	(10)
Retail	.98	100.0%	53.92	12.73	3.68	29.67	(14)
Rental	.10	100.0%	18.51[a]	25.58	9.99	45.92	(15)
Accommodations	-	100.0%	-	40.68	30.06	29.26	(4)
Other	.36	100.0%	11.15	50.61	47.39	(9.15)	(17)
	$20.46						
YEAR ROUND:							
Real Estate		100.0%	21.95	8.26	8.73	61.06	(7)
Utility		100.0%	-	0.00	0.00	100.00	(1)
Miscellaneous		100.0%	-	6.51	10.38	83.11	(17)
SUMMER SEASON:							
Lift Department		100.0%	-	39.67	33.39	26.94	(7)
Food Service		100.0%	30.41	32.75	12.66	24.18	(7)
Retail		100.0%	55.92	23.70	13.74	6.64	(4)
Sports		100.0%	-	21.82	23.94	54.24	(2)
Accommodations		100.0%	-	21.24	11.13	67.63	(2)
Slide		100.0%	-	42.04	12.68	45.28	(3)

[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
NORTHERN ROCKIES SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Less: Direct Labor	Less: Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$10.67	100.0%	- %	25.15%	15.67%	59.18%	(13)
Ski School	1.13	100.0%	-	71.85	9.25	18.90	(9)
Food Service	2.60	100.0%	42.47	38.08	13.80	5.65	(8)
Bar	1.09	100.0%	29.42	21.16	22.32	27.10	(5)
Retail	.61	100.0%	61.44	14.14	4.11	20.31	(5)
Rental	.74	100.0%	20.94[a]	26.35	7.39	45.32	(6)
Accommodations	-	100.0%	-	23.94	36.49	39.57	(2)
Other	.12	100.0%	1.83	18.81	9.17	70.19	(10)
	$16.96						
YEAR ROUND:							
Real Estate		100.0%	12.74	0.70	1.56	85.00	(3)
Utility		100.0%	-	13.98	50.23	35.79	(3)
Miscellaneous		100.0%	47.82	6.53	1.24	44.41	(7)
SUMMER SEASON:							
Lift Department		100.0%	-	64.14	40.98	(5.12)	(2)
Food Service		100.0%	80.00	40.00	60.00	(80.00)	(1)
Retail		100.0%	-	-	-	-	(0)
Sports		100.0%	-	-	-	-	(0)
Accommodations		100.0%	-	-	-	-	(0)
Slide		100.0%	-	-	-	-	(0)

[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
CALIFORNIA/NEVADA SKI AREAS, 1981-82

	Gross Sales		Less:				
	Per S-V	%	Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
WINTER SEASON:							
Ski Lift Department	$14.01	100.0%	- %	15.31%	6.38%	78.31%	(15)
Ski School	1.11	100.0%	-	50.38	5.60	44.01	(12)
Food Service	2.21	100.0%	39.83	28.98	6.60	24.59	(9)
Bar	.28	100.0%	26.97	17.80	3.12	52.11	(5)
Retail	1.45	100.0%	58.82	9.26	2.50	29.42	(8)
Rental	.91	100.0%	16.01[a]	19.89	5.08	59.02	(12)
Accommodations	-	100.0%	-	43.02	49.71	7.27	(4)
Other	.91	100.0%	8.79	31.56	16.14	43.51	(12)
	$20.88						
YEAR ROUND:							
Real Estate		100.0%	35.12	4.39	9.20	51.29	(2)
Utility		100.0%	-	36.69	237.50	(174.19)	(3)
Miscellaneous		100.0%	-	0.14	4.06	95.80	(9)
SUMMER SEASON:							
Lift Department		100.0%	-	18.83	4.32	76.85	(3)
Food Service		100.0%	50.00	61.38	9.08	(20.46)	(3)
Retail		100.0%	59.37	24.13	2.54	13.96	(1)
Sports		100.0%	0.00	0.00	0.00	100.00	(1)
Accommodations		100.0%	-	106.94	38.80	(45.74)	(2)
Slide		100.0%	-	-	-	-	(0)

[a] Represents retirement and replacement of rental equipment.

TABLE 58 (Continued)

AVERAGE SKI AREA FINANCIAL DATA–DEPARTMENTAL MARGIN
PACIFIC NORTHWEST SKI AREAS, 1981-82

	Gross Sales		Less: Cost of Goods Sold	Direct Labor	Direct Other	Gross Margin	Base
	Per S-V	%					
WINTER SEASON:							
Ski Lift Department	$10.18	100.0%	- %	25.17%	14.73%	60.10%	(16)
Ski School	.59	100.0%	-	76.17	14.29	9.54	(13)
Food Service	1.68	100.0%	36.72	31.96	14.17	17.15	(14)
Bar	1.32	100.0%	25.68	17.93	11.04	45.35	(12)
Retail	.99	100.0%	50.07	16.60	5.65	27.68	(9)
Rental	.78	100.0%	14.79[a]	25.26	6.80	53.15	(9)
Accommodations	-	100.0%	-	44.66	36.05	19.29	(4)
Other	.27	100.0%	1.45	104.76	32.51	(38.72)	(10)
	$15.81						
YEAR ROUND:							
Real Estate		100.0%	51.46	0.00	0.00	48.54	(1)
Utility		100.0%	-	47.22	6.95	45.83	(3)
Miscellaneous		100.0%	-	-	-	100.00	(7)
SUMMER SEASON:							
Lift Department		100.0%	-	116.55	28.48	(45.03)	(1)
Food Service		100.0%	35.59	31.85	12.76	19.80	(4)
Retail		100.0%	37.29	23.75	3.71	35.25	(3)
Sports		100.0%	-	200.00	100.00	(200.00)	(1)
Accommodations		100.0%	-	31.87	16.70	51.43	(2)
Slide		100.0%	-	18.47	7.23	74.30	(1)

[a] Represents retirement and replacement of rental equipment.

VIII

CHARACTERISTICS BY SIZE; DAY, WEEKEND, VACATION AND WEEKEND ONLY SKI AREAS; AND LENGTH OF SKI SEASON

Several additional computer runs provide the same data by other distinct categories. This chapter presents this data with a brief discussion of relevant findings. Because of the large number of tables, they follow the text.

Characteristics by Size

Tables 59 through 65 contain all the various statistics by ski area size. Categories divide ski areas by total VTF/hour into five increments. The category "under 1,000" contains the smallest areas while "over 5,500" has the giants. In general, profitability increases as ski areas get larger.

Characteristics by Day, Weekend, Vacation and Weekend Only Areas

Tables 66 through 72 contain the statistics by ski area type. This category refers to areas designed to serve functional markets. Areas may be defined as day use oriented where skiers commute from home for the day; weekend use oriented where skiers typically spend one or two overnights at the areas, typically on weekend outings; and vacation use oriented where average stays are seven days. Typically during the 1981-82 season weekend areas fared better. Operating profit on GFA is best this year at weekend oriented ski areas.

Characteristics by Length of Ski Season

Ski areas are characteristically high fixed cost operations with heavy investment in fixed assets and a relatively short operating season. Thus the length of the ski season is a critical variable to profitability. Again, the key measure, operating profit on GFA, generally increased with the length of the season.

TABLE 59

AVERAGE SKI AREA CHARACTERISITICS–BY SIZE (000 VTF/HOUR)

	Under 1,000	1,000 - 2,499	2,500 - 3,999	4,000 5,499	5,500+
SIZE					
VTF/Hour (000)	660	1,553	3,311	4,720	11,090
Gross Fixed Assets (000)	$3,272	$1,814	$2,493	$4,153	$12,887
Skiable Acres	46	83	228	562	999
LOCATION					
Within 50 Miles of SMSA	50%	39%	35%	40%	22%
With 6+ Areas in 1 Hour	0%	17%	39%	35%	42%
New England	25%	13%	26%	20%	11%
East	50%	22%	13%	15%	4%
Midwest	0%	35%	9%	10%	0%
Central Rockies	25%	13%	26%	10%	29%
Northern Rockies	0%	0%	13%	10%	18%
California & Nevada	0%	4%	9%	10%	22%
Pacific Northwest	0%	13%	4%	25%	16%
SITE CHARACTERISTICS					
Number of Beds at Base	298	52	235	124	2,761
Number of Beds (10 Miles)	725	2,701	1,261	2,693	7,018
With Snowmaking	38%	24%	52%	69%	66%
With Night Skiing	18%	16%	31%	49%	31%
Terrain: Beginner	44%	30%	25%	26%	23%
Intermediate	44%	49%	52%	50%	47%
Expert	13%	21%	23%	24%	30%
BUSINESS CHARACTERISTICS					
Operating With USFS Permit	0%	22%	52%	55%	73%
Engaged in Land Development	75%	30%	22%	55%	40%
OPERATIONAL CHARACTERISTICS					
Average Days/Nights of Operation	131	113	120	137	140
Average Peak Day Crowd	1,043	1,736	2,860	3,309	7,053
Average Skier Visits (000)	27	55	103	139	385
Average Age of Ski Areas	16	21	27	23	24
ECONOMIC CHARACTERISTICS					
Average Revenue/Skier Visit	$12.47	$11.90	$12.35	$13.20	$15.06
Average Lift Ticket Revenue/S-V	$ 7.79	$ 9.02	$10.11	$10.85	$13.31
Average Adult Lift Ticket Price (Weekend)	$13.00	$13.13	$14.79	$15.75	$17.42
Average Adult Lift Ticket Price (Weekday	$ 9.75	$10.54	$13.00	$14.37	$16.90
Average Night Ticket Price	$ 6.33	$ 7.75	$ 9.03	$ 8.61	$ 9.15
Average Adult Season Ticket Price	$ 191	$ 218	$ 271	$ 316	$ 426
Average Utilization	63%	40%	40%	32%	41%
Average Profit (Loss) Before Tax	$ (98)	$ (6)	$ 261	$ 266	$1,493
Ratio: Revenue/GFA	53%	42%	55%	52%	54%
Base	(4)	(23)	(23)	(20)	(45)

TABLE 60

ECONOMIC RATIOS–BY SIZE (000 VTF/HOUR)

	Under 1,000	1,000 - 2,499	2,500 - 3,999	4,000 - 5,499	5,500+
VTF/Hour (000)	661	1,553	3,311	4,720	11,090
VTF/Hour - Demand/Skier Visit	1,527	1,313	1,599	1,508	1,693
Skier Capacity	433	1,183	2,071	3,129	6,549
Days/Nights of Operation	131	113	120	137	140
Season Capacity (000)	43	138	255	433	934
Actual Skier Visits (000)	27	55	103	139	385
Profit (Loss) Before Tax (000)	$ (98)	$ (6)	$ 261	$ 266	$1,493
Plus: Depreciation (000)	$ 124	$ 104	$ 124	$ 231	$ 862
Before Tax Cash Flow (000)	$ 26	$ 98	$ 386	$ 497	$2,355
Operating Profit (Loss) (000)	$ 72	$ 81	$ 361	$ 428	$2,096
Cash Operating Costs (000)	$1,525	$ 576	$ 880	$1,510	$4,026
Gross Fixed Assets (000)	$3,272	$1,814	$2,493	$4,153	$12,887
Long Term Debt (000)	$1,868	$ 553	$ 732	$ 965	$4,151
Equity (000)	$ 70	$ 349	$ 717	$1,542	$6,853
Critical Ratios					
Health (Debt to Cash Flow)	71.85X	5.64X	1.90X	1.94X	1.76X
Profitability:					
Operating Profit on GFA	2.20%	4.47%	14.48%	10.30%	16.27%
Profit (BT) on Equity	Loss	Loss	36.40%	17.25%	21.79%
Performance:					
Average Utilization	62.79%	39.86%	40.40%	32.10%	41.22%
Days/Nights of Operation	131	113	120	137	140
Policy & Planning:					
Capital/Capacity Ratio	$7,557	$1,533	$1,204	$1,328	$1,968
Operating/Capacity Ratio	$35.47	$ 4.17	$ 3.45	$ 3.48	$ 4.31
Revenue/Skier Visit:					
Ski Lift Gross	$ 7.79	$ 9.02	$10.11	$10.85	$13.31
Ski School Margin	$ .54	$ .32	$ .39	$ .41	$ .39
Food Service Margin	$ 1.10	$ .58	$ .48	$ .58	$ .42
Bar Margin	$ .28	$ .28	$ .23	$ .47	$ .22
Ski Shop Margin	$ .03	$ .36	$ .18	$ .21	$ .26
Ski Rental Margin	$ 1.68	$ 1.07	$ 1.06	$ .48	$ .33
Other Margin	$ 1.05	$ .27	$ (.10)	$ .20	$ .13
Total - Revenue/Skier Visit	$12.47	$11.90	$12.35	$13.20	$15.06
Base	(4)	(23)	(23)	(20)	(45)

TABLE 61

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY SIZE (000 VTF/HOUR)

	Under 1,000 (000)	1,000 - 2,499 (000)	2,500 - 3,999 (000)	4,000 - 5,499 (000)	Over 5,500 (000)
Gross Fixed Assets	$3,272	$1,814	$2,493	$4,154	$12,887
Revenue:					
Ski Lift Gross - Winter	$ 214	$ 498	$1,037	$1,512	$ 5,120
Ski Lift Gross - Summer	0	0	5	16	72
Supporting Margin - Winter	353	222	248	373	719
Supporting Margin - Summer	648	30	48	77	44
Year Round Margin	506	11	27	191	1,029
TOTAL REVENUE	$1,721	$ 761	$1,365	$2,169	$ 6,984
Less:					
Ski Lift Direct Expense	$ 84	$ 167	$ 316	$ 500	$ 1,510
Payroll Taxes	85	38	44	51	214
Property Operation	483	56	34	115	293
OPERATIONS MARGIN	$1,069	$ 500	$ 971	$1,503	$ 4,967
Less:					
General & Administrative	$ 404	$ 159	$ 212	$ 434	$ 803
Marketing (advertising, public relations, promotion, etc.)	172	45	62	119	369
Insurance (property, liability)	45	38	62	74	168
Land Use Fees (public)	0	6	13	27	125
Land Use Fees (private)	1	0	3	11	35
Property Taxes	37	15	15	31	106
Other Taxes (except income)	0	9	13	10	115
Snowmaking	38	37	98	96	154
Snow Removal	3	3	2	1	27
Miscellaneous	173	3	6	41	107
Depreciation & Amortization	124	104	124	231	862
OPERATING PROFIT (LOSS)	$ 72	$ 81	$ 361	$ 428	$ 2,096
Less: Interest	170	87	99	162	603
PROFIT (LOSS) BEFORE TAX	$ (98)	$ (6)	$ 261	$ 266	$ 1,493
Base	(4)	(23)	(23)	(20)	(45)

TABLE 62

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY SIZE (000 VTF/HOUR)

	Percent of Gross Fixed Assets				
	Under 1,000	1,000 - 2,499	2,500 - 3,999	4,000 - 5,499	Over 5,500
Gross Fixed Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue:					
Ski Lift Gross - Winter	6.54%	27.45%	41.60%	36.40%	39.73%
Ski Lift Gross - Summer	0.00	0.00	0.20	0.39	0.56
Supporting Margin - Winter	10.79	12.24	9.95	8.98	5.58
Supporting Margin - Summer	19.80	1.65	1.93	1.85	0.34
Year Round Margin	15.46	0.61	1.08	4.61	7.98
TOTAL REVENUE	52.59%	41.95%	54.76%	52.22%	54.19%
Less:					
Ski Lift Direct Expense	2.57%	9.21%	12.68%	12.04%	11.72%
Payroll Taxes	2.59	2.09	1.76	1.23	1.66
Property Operation	14.76	3.09	1.36	2.77	2.27
OPERATIONS MARGIN	32.67%	27.56%	38.96%	36.18%	38.54%
Less:					
General & Administrative	12.35%	8.76%	8.51%	10.45%	6.23%
Marketing (advertising, public relations, promotion, etc.)	5.26	2.48	2.49	2.86	2.86
Insurance (property, liability)	1.36	2.09	2.49	1.78	1.30
Land Use Fees (public)	0.00	0.33	0.52	0.65	0.97
Land Use Fees (private)	0.03	0.00	0.12	0.26	0.27
Property Taxes	1.13	0.83	0.60	0.75	0.82
Other Taxes (except income)	0.00	0.50	0.52	0.24	0.89
Snowmaking	1.16	2.04	3.93	2.31	1.20
Snow Removal	0.09	0.17	0.08	0.02	0.21
Miscellaneous	5.30	0.16	0.25	0.98	0.84
Depreciation & Amortization	3.79	5.73	4.97	5.56	6.69
OPERATING PROFIT (LOSS)	2.20%	4.47%	14.48%	10.30%	16.26%
Less: Interest	5.20	4.80	3.97	3.90	4.68
PROFIT (LOSS) BEFORE TAX	(3.00%)	(0.33%)	10.51%	6.40%	11.59%
Base	(4)	(23)	(23)	(20)	(45)

TABLE 63

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY SIZE (000 VTF/HOUR)

	Percent of Revenue				
	Under 1,000	1,000 - 2,499	2,500 - 3,999	4,000 - 5,499	Over 5,500
Revenue:					
Ski Lift Gross - Winter	12.43%	65.44%	75.97%	69.71%	73.31%
Ski Lift Gross - Summer	0.00	0.00	0.37	0.74	1.03
Supporting Margin - Winter	20.51	29.17	18.17	17.19	10.29
Supporting Margin - Summer	37.65	3.94	3.52	3.55	0.63
Year Round Margin	29.41	1.45	1.97	8.81	14.74
TOTAL REVENUE	100.00%	100.00%	100.00%	100.00%	100.00%
Less:					
Ski Lift Direct Expense	4.88%	21.94%	23.15%	23.05%	21.62%
Payroll Taxes	4.93	4.99	3.22	2.35	3.06
Property Operation	28.07	7.37	2.50	5.31	4.20
OPERATIONS MARGIN	62.12%	65.70%	71.13%	69.29%	71.12%
Less:					
General & Administrative	23.48%	20.90%	15.53%	20.01%	11.50%
Marketing (advertising, public relations, promotion, etc.)	9.99	5.91	4.54	5.49	5.28
Insurance (property, liability)	2.61	4.99	4.54	3.41	2.41
Land Use Fees (public)	0.00	0.79	0.95	1.24	1.79
Land Use Fees (private)	0.06	0.00	0.22	0.51	0.50
Property Taxes	2.15	1.98	1.09	1.43	1.52
Other Taxes (except income)	0.00	1.18	0.95	0.46	1.65
Snowmaking	2.21	4.86	7.18	4.43	2.21
Snow Removal	0.17	0.39	0.15	0.05	0.39
Miscellaneous	10.05	0.39	0.45	1.88	1.52
Depreciation & Amortization	7.21	13.67	9.08	10.65	12.34
OPERATING PROFIT (LOSS)	4.18%	10.64%	26.45%	19.73%	30.01%
Less: Interest	9.87	11.43	7.26	7.47	8.63
PROFIT (LOSS) BEFORE TAX	(5.69)%	(0.79)%	19.19%	12.26%	21.38%
Base	(4)	(23)	(23)	(20)	(45)

TABLE 64

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN
BY SIZE (000 VTF/HOUR)

	Under 1,000	1,000-2,499	2,500-3,999	4,000-5,499	Over 5,500
SKI LIFT GROSS:					
Revenue (Winter)	100.00%	100.00%	100.00%	100.00%	100.00%
LESS:					
Ski Lift Payroll	8.71%	7.09%	6.80%	7.73%	6.05%
Ski Patrol Payroll	1.94	1.77	2.38	2.69	3.28
Slope Maintenance Payroll	0.65	1.75	2.50	2.56	2.46
Maintenance & Repair Payroll	4.84	3.55	4.78	5.05	3.34
Ticket Sales Payroll	1.60	1.55	1.37	1.55	1.38
Other Payroll	0.00	1.84	0.81	1.07	1.60
TOTAL PAYROLL	17.74%	17.55%	18.64%	20.65%	18.11%
OTHER DIRECT	6.78%	10.19%	11.46%	13.11%	8.88%
GROSS MARGIN	75.48%	72.26%	69.90%	66.24%	73.01%
Base	(1)	(13)	(16)	(16)	(39)

TABLE 65

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS
BY SIZE (000 VTF/HOUR)

	Under 1,000 (000)	1,000 - 2,499 (000)	2,500 - 3,999 (000)	4,000 - 5,499 (000)	Over 5,500 (000)
Assets					
Current Assets	$ 467	$ 175	$ 320	$ 693	$ 1,920
Gross Fixed Assets	3,272	1,799	2,424	4,153	11,745
Less: Depreciation	(995)	(771)	(1,125)	(1,615)	(3,577)
Other Assets	46	97	123	423	2,933
TOTAL ASSETS	$2,790	$1,300	$1,742	$3,654	$13,021
Liabilities & Net Worth					
Current Liabilities	$ 790	$ 332	$ 267	$ 569	$ 1,447
Long-Term Debt	1,561	501	611	863	3,526
Subordinated Debt	306	52	121	101	625
Deferred Taxes	59	0	21	86	153
Other Liabilities	4	66	5	492	417
Net Worth					
Invested	3,338	295	493	1,068	4,138
Retained Earnings	(3,268)	54	224	475	2,715
TOTAL LIABILITIES & NET WORTH	$2,790	$1,300	$1,742	$3,654	$13,021
Base	(4)	(22)	(22)	(20)	(42)

TABLE 66

AVERAGE SKI AREA CHARACTERISTICS–BY TYPE OF SKI AREA

	Day	Weekend	Vacation	Weekend Only
SIZE				
VTF/Hour (000)	3,704	6,276	8,866	1,682
Gross Fixed Assets (000)	$3,344	$6,283	$10,741	$ 573
Skiable Acres	328	538	811	133
LOCATION				
Within 50 Miles of SMSA	46%	21%	22%	50%
With 6+ Areas in 1 Hour	25%	47%	35%	100%
New England	13%	26%	15%	50%
East	15%	16%	9%	50%
Midwest	19%	5%	4%	0%
Central Rockies	17%	11%	33%	0%
Northern Rockies	8%	5%	17%	0%
California & Nevada	13%	21%	11%	0%
Pacific Northwest	17%	16%	11%	0%
SITE CHARACTERISTICS				
Number of Beds at Base	34	1,854	2,123	0
Number of Beds (10 Miles)	2,094	4,442	6,017	1,000
With Snowmaking	58%	58%	72%	0%
With Night Skiing	56%	26%	26%	0%
Terrain: Beginner	27%	25%	24%	35%
Intermediate	50%	48%	48%	50%
Expert	23%	28%	28%	15%
BUSINESS CHARACTERISTICS				
Operating With USFS Permit	46%	42%	67%	0%
Engaged in Land Development	28%	26%	52%	0%
OPERATIONAL CHARACTERISTICS				
Average Days/Nights of Operation	128	128	135	46
Average Peak Day Crowd	2,984	4,259	5,788	1,550
Average Skier Visits (000)	113	227	305	28
Average Age of Ski Areas	24	25	22	36
ECONOMIC CHARACTERISTICS				
Average Revenue/Skier Visit	$12.51	$15.25	$14.88	$ 5.44
Average Lift Ticket Revenue/S-V	$10.35	$12.81	$13.18	$ 5.15
Average Adult Lift Ticket Price (Weekend)	$14.19	$15.79	$17.17	$11.00
Average Adult Lift Ticket Price (Weekday)	$12.26	$14.66	$16.34	$10.00
Average Night Ticket Price	$ 8.90	$ 9.00	$ 7.00	$ -
Average Adult Season Ticket Price	$ 279	$ 317	$ 396	$ 95
Average Utilization	34%	39%	43%	52%
Average Profit (Loss) Before Tax	$ 102	$1,059	$1,156	$ (66)
Ratio: Revenue/GFA	42%	55%	42%	27%
Base	(48)	(19)	(46)	(2)

TABLE 67

ECONOMIC RATIOS–BY TYPE OF SKI AREA

	Day	Weekend	Vacation	Weekend Only	Your Ski Area
VTF/Hour (000)	3,704	6,276	8,866	1,682	_____
VTF/Hour - Demand/Skier Visit	1,546	1,517	1,714	1,499	_____
Skier Capacity	2,396	4,138	5,174	1,122	_____
Days/Nights of Operation	128	128	135	46	_____
Season Capacity (000)	333	582	712	54	_____
Actual Skier Visits (000)	113	227	305	28	_____
Profit (Loss) Before Tax (000)	$ 102	$1,059	$ 1,156	$ (66)	$_____
Plus: Depreciation (000)	$ 218	$ 375	$ 685	$ 26	$_____
Before Tax Cash Flow (000)	$ 320	$1,434	$ 1,841	$ (39)	$_____
Operating Profit (Loss) (000)	$ 236	$1,304	$ 1,682	$ (55)	$_____
Cash Operating Costs (000)	$ 997	$2,013	$ 3,574	$ 184	$_____
Gross Fixed Assets (000)	$3,344	$6,283	$10,741	$ 573	$_____
Secured Debt (000)	$ 796	$1,715	$ 3,656	$ 12	$_____
Equity (000)	$ 940	$3,232	$ 5,417	$ 202	$_____
Critical Ratios					
Health (Debt to Cash Flow)	2.49X	1.20X	1.99X	-	_____X
Profitability:					
Operating Profit on GFA	7.05%	20.75%	15.66%	Loss	_____%
Profit (BT) on Equity	10.85%	32.77%	21.34%	Loss	_____%
Performance:					
Average Utilization	33.93%	39.00%	42.84%	51.85%	_____%
Days/Nights of Operation	128	128	135	46	_____
Policy & Planning:					
Capital/Capacity Ratio	$1,396	$1,518	$ 2,076	$ 510	$_____
Operating/Capacity Ratio	$ 2.99	$ 3.46	$ 5.02	$ 3.41	$_____
Revenue/Skier Visit:					
Ski Lift Gross	$10.35	$12.81	$ 13.18	$ 5.15	$_____
Ski School Margin	$ .32	$ .46	$ .40	$ (.04)	$_____
Food Service Margin	$ .47	$ .62	$ .39	$ (.05)	$_____
Bar Margin	$ .26	$ .26	$ .25	$ .00	$_____
Ski Shop Margin	$ .23	$ .30	$ .24	$ .04	$_____
Ski Rental Margin	$ .83	$ .49	$ .32	$ .00	$_____
Other Margin	$ .05	$ .31	$ .10	$ .34	$_____
Total - Revenue/Skier Visit	$12.51	$15.25	$ 14.88	$ 5.44	$_____
Base	(48)	(19)	(46)	(2)	

TABLE 68

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY TYPE OF SKI AREA

	Day (000)	Weekend (000)	Vacation (000)	Weekend Only (000)	Your Ski Area
Gross Fixed Assets	$3,344	$6,283	$10,741	$ 573	$_____
Revenue:					
Ski Lift Gross - Winter	$1,169	$2,912	$ 4,024	$ 143	$_____
Ski Lift Gross - Summer	2	20	70	0	_____
Supporting Margin - Winter	245	587	632	12	_____
Supporting Margin - Summer	9	82	128	0	_____
Year Round Margin	26	91	1,087	0	_____
TOTAL REVENUE	$1,451	$3,692	$ 5,941	$ 155	$_____
Less:					
Ski Lift Direct Expense	$ 388	$ 709	$ 1,243	$ 60	$_____
Payroll Taxes	48	90	193	0	_____
Property Operation	71	39	333	0	_____
OPERATIONS MARGIN	$ 944	$2,854	$ 4,172	$ 95	$_____
Less:					
General & Administrative	$ 215	$ 428	$ 790	$ 78	$_____
Marketing (advertising, public relations, promotion, etc.)	51	174	355	3	_____
Insurance (property, liability)	66	103	138	13	_____
Land Use Fees (public)	15	82	94	0	_____
Land Use Fees (private)	2	1	37	0	_____
Property Taxes	23	67	83	9	_____
Other Taxes (not income)	30	41	79	7	_____
Snowmaking	68	107	148	0	_____
Snow Removal	3	6	24	1	_____
Miscellaneous	17	166	57	13	_____
Depreciation & Amortization	218	375	685	26	_____
OPERATING PROFIT (LOSS)	$ 236	$1,304	$ 1,682	$ (55)	$_____
Less: Interest	134	245	526	11	_____
PROFIT (LOSS) BEFORE TAX	$ 102	$1,059	$ 1,156	$ (66)	$_____
Base	(48)	(19)	(46)	(2)	

TABLE 69

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY TYPE OF SKI AREA

	Percent of Gross Fixed Assets				
	Day	Weekend	Vacation	Weekend Only	Your Ski Area
Gross Fixed Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue:					
Ski Lift Gross - Winter	34.96%	46.35%	37.47%	24.96%	____ %
Ski Lift Gross - Summer	0.06	0.32	0.65	0.00	____
Supporting Margin - Winter	7.33	9.34	5.88	2.09	____
Supporting Margin - Summer	0.27	1.31	1.19	0.00	____
Year Round Margin	0.77	1.45	10.12	0.00	____
TOTAL REVENUE	43.39%	58.77%	55.31%	27.05%	____ %
Less:					
Ski Lift Direct Expense	11.60%	11.29%	11.57%	10.47%	____ %
Payroll Taxes	1.44	1.43	1.80	0.00	____
Property Operation	2.12	0.62	3.10	0.00	____
OPERATIONS MARGIN	28.23%	45.43%	38.84%	16.58%	____ %
Less:					
General & Administrative	6.43%	6.81%	7.36%	13.61%	____ %
Marketing (advertising, public relations, promotion, etc.)	1.53	2.77	3.31	0.52	____
Insurance (property, liability)	1.97	1.64	1.28	2.27	____
Land Use Fees (public)	0.45	1.31	0.88	0.00	____
Land Use Fees (private)	0.06	0.02	0.34	0.00	____
Property Taxes	0.69	1.07	0.77	1.57	____
Other Taxes (not income)	0.90	0.65	0.74	1.22	____
Snowmaking	2.03	1.70	1.38	0.00	____
Snow Removal	0.09	0.10	0.22	0.17	____
Miscellaneous	0.50	2.63	0.52	2.29	____
Depreciation & Amortization	6.52	5.97	6.38	4.54	____
OPERATING PROFIT (LOSS)	7.06%	20.76%	15.66%	(9.61)%	____ %
Less: Interest	4.01	3.90	4.90	1.92	____
PROFIT (LOSS) BEFORE TAX	3.05%	16.86%	10.76%	(11.53)%	____ %
Base	(48)	(19)	(46)	(2)	

TABLE 70

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY TYPE OF SKI AREA

	Percent of Revenue				
	Day	Weekend	Vacation	Weekend Only	Your Ski Area
Revenue:					
Ski Lift Gross - Winter	80.57%	78.87%	67.73%	92.26%	____ %
Ski Lift Gross - Summer	0.14	0.54	1.18	0.00	____
Supporting Margin - Winter	16.88	15.90	10.64	7.74	____
Supporting Margin - Summer	0.62	2.22	2.15	0.00	____
Year Round Margin	1.79	2.47	18.30	0.00	____
TOTAL REVENUE	100.00%	100.00%	100.00%	100.00%	100.00%
Less:					
Ski Lift Direct Expense	26.74%	19.20%	20.92%	38.71%	____ %
Payroll Taxes	3.31	2.44	3.25	0.00	____
Property Operation	4.89	1.06	5.61	0.00	____
OPERATIONS MARGIN	65.06%	77.30%	70.22%	61.29%	____ %
Less:					
General & Administrative	14.82%	11.59%	13.30%	50.31%	____ %
Marketing (advertising, public relations, promotion, etc.)	3.51	4.71	5.98	1.94	____
Insurance (property, liability)	4.55	2.79	2.32	8.39	____
Land Use Fees (public)	1.03	2.22	1.58	0.00	____
Land Use Fees (private)	0.14	0.03	0.62	0.00	____
Property Taxes	1.59	1.81	1.40	5.81	____
Other Taxes (except income)	2.07	1.11	1.33	4.52	____
Snowmaking	4.69	2.90	2.49	0.00	____
Snow Removal	0.21	0.16	0.40	0.65	____
Miscellaneous	1.17	4.50	0.96	8.38	____
Depreciation & Amortization	15.02	10.16	11.53	16.77	____
OPERATING PROFIT (LOSS)	16.26%	35.32%	28.31%	(35.48)%	____ %
Less: Interest	9.23	6.64	8.85	7.10	____
PROFIT (LOSS) BEFORE TAX	7.03%	28.68%	19.46%	(42.58)%	____ %
Base	(48)	(19)	(46)	(2)	

TABLE 71

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN
BY TYPE OF SKI AREA

	Day	Weekend	Vacation
SKI LIFT GROSS			
Revenue (Winter)	100.00%	100.00%	100.00%
LESS:			
Ski Lift Payroll	8.03%	5.45%	6.07%
Ski Patrol Payroll	2.84	2.67	3.32
Slope Maintenance Payroll	2.57	2.16	2.51
Maintenance & Repair Payroll	3.45	3.48	3.68
Ticket Sales Payroll	1.47	1.35	1.40
Other Payroll	2.42	0.61	1.50
TOTAL PAYROLL	20.78%	15.72%	18.48%
OTHER DIRECT	13.21%	6.97%	9.22%
GROSS MARGIN	66.01%	77.31%	72.30%
Base	(34)	(14)	(37)

TABLE 72

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS
BY TYPE OF SKI AREA

	Day (000)	Weekend (000)	Vacation (000)	Weekend Only (000)
Assets				
Current Assets	$ 344	$1,355	$ 1,500	$ 36
Gross Fixed Assets	2,924	6,283	9,779	573
Less: Depreciation	(1,302)	(2,359)	(2,823)	(341)
Other Assets	160	820	2,588	18
TOTAL ASSETS	$2,126	$6,099	$11,044	$ 286
Liabilities & Net Worth				
Current Liabilities	$ 300	$ 942	$ 1,295	$ 72
Long-Term Debt	607	1,424	3,219	12
Subordinated Debt	189	291	437	-
Deferred Taxes	34	100	123	0
Other Liabilities	56	110	553	0
Net Worth				
Invested	462	1,823	3,865	169
Retained Earnings	478	1,409	1,552	33
TOTAL LIABILITIES & NET WORTH	$2,126	$6,099	$11,044	$ 286
Base	(45)	(19)	(44)	(2)

TABLE 73

AVERAGE SKI AREA CHARACTERISTICS–BY LENGTH OF SEASON

	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
SIZE						
VTF/Hour (000)	2,298	3,356	4,947	7,580	8,241	6,447
Gross Fixed Assets (000)	$1,508	$2,954	$5,591	$8,908	$8,226	$7,305
Skiable Acres	101	137	594	499	836	687
LOCATION						
Within 50 Miles of SMSA	72%	0%	27%	25%	31%	55%
With 6+ Areas in 1 Hour	29%	30%	31%	44%	42%	11%
New England	14%	20%	17%	28%	5%	6%
East	29%	30%	10%	3%	11%	22%
Midwest	0%	10%	14%	9%	5%	17%
Central Rockies	29%	10%	24%	34%	16%	6%
Northern Rockies	0%	20%	14%	3%	21%	11%
California & Nevada	29%	10%	7%	6%	26%	17%
Pacific Northwest	0%	0%	14%	16%	16%	22%
SITE CHARACTERISTICS						
Number of Beds at Base	571	89	309	2,393	532	1,891
Number of Beds (10 Miles)	1,086	876	4,313	5,306	4,928	3,269
With Snowmaking	14%	41%	38%	76%	41%	80%
With Night Skiing	2%	7%	9%	16%	13%	137%
Terrain: Beginner	33%	27%	24%	27%	25%	26%
Intermediate	51%	54%	47%	47%	49%	50%
Expert	16%	18%	29%	27%	26%	25%
BUSINESS CHARACTERISTICS						
Operating With USFS Permit	57%	40%	52%	53%	63%	50%
Engaged in Land Development	29%	0%	40%	56%	32%	28%

TABLE 73 (Continued)

AVERAGE SKI AREA CHARACTERISTICS–BY LENGTH OF SEASON

	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
OPERATIONAL CHARACTERISTICS						
Average Days/Nights of Operation	54	91	111	130	151	188
Average Peak Day Crowd	1,543	2,686	3,343	5,025	5,553	5,142
Average Skier Visits (000)	33	89	131	261	278	294
Average Age of Ski Areas	24 years	30 years	24 years	21 years	30 years	28 years
ECONOMIC CHARACTERISTICS						
Average Revenue/Skier Visit	$12.40	$13.33	$13.29	$15.21	$15.31	$13.22
Average Lift Ticket Revenue/Skier Visit	$10.24	$11.04	$11.55	$13.42	$13.23	$11.11
Average Adult Lift Ticket Price (Weekend)	$13.85	$13.20	$15.26	$17.34	$15.85	$14.75
Average Adult Lift Ticket Price (Weekday)	$10.86	$10.85	$13.56	$16.21	$14.96	$13.75
Average Night Ticket Price	$ 7.00	$ 8.33	$ 8.25	$ 7.10	$ 8.10	$12.40
Average Adult Season Ticket Price	$ 205	$ 204	$ 322	$ 307	$ 347	$ 301
Average Utilization	45%	44%	39%	46%	35%	37%
Average Profit (Loss) Before Tax	$ (15)	$ 216	$ 449	$ 891	$ 612	$1,268
Ratio: Revenue/GFA	38%	47%	47%	54%	55%	59%
Base	(7)	(10)	(29)	(32)	(19)	(18)

TABLE 74

ECONOMIC RATIOS–BY LENGTH OF SEASON

	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
VTF/Hour (000)	2,298	3,356	4,947	7,580	8,241	6,447
VTF/Hour - Demand/Skier Visit	1,696	1,541	1,648	1,739	1,597	1,487
Skier Capacity	1,355	2,178	3,002	4,360	5,159	4,335
Days/Nights of Operation	54	91	111	130	151	188
Season Capacity (000)	74	201	335	570	789	801
Actual Skier Visits (000)	33	89	131	261	278	294
Profit (Loss) Before Tax (000)	$ (15)	$ 215	$ 449	$ 891	$ 612	$1,268
Plus: Depreciation (000)	$ 69	$ 201	$ 356	$ 564	$ 542	$ 443
Before Tax Cash Flow (000)	$ 54	$ 417	$1,032	$1,455	$1,154	$1,711
Operating Profit (Loss)	$ 95	$ 332	$ 676	$1,357	$ 996	$1,523
Cash Operating Costs (000)	$ 416	$ 860	$1,602	$2,913	$2,999	$2,377
Gross Fixed Assets (000)	$1,508	$2,954	$5,591	$8,908	$8,226	$7,305
Long Term Debt (000)	$ 615	$1,425	$1,929	$2,606	$2,384	$2,024
Equity (000)	$ 483	$ 976	$2,095	$4,693	$4,513	$2,609
Critical Ratios						
Health (Debt to Cash Flow)	11.39X	3.42X	1.87X	1.79X	2.07X	1.18X
Profitability:						
Operating Profit on GFA	6.30%	11.24%	12.09%	15.23%	12.11%	20.85%
Profit (Before Tax) on Equity	Loss	22.03%	21.43%	18.99%	13.56%	48.60%
Performance:						
Average Utilization	44.59%	44.28%	39.10%	45.79%	35.23%	36.70%
Days/Nights of Operation	54	91	111	130	151	188
Policy & Planning:						
Capital/Capacity Ratio	$1,113	$1,356	$1,862	$2,043	$1,594	$1,685
Operating/Capacity Ratio	$ 5.62	$ 4.27	$ 4.78	$ 5.11	$ 3.80	$ 2.97
Revenue/Skier Visit:						
Ski Lift Gross	$10.24	$11.04	$11.55	$13.42	$13.23	$11.11
Ski School Margin	$ .32	$ .15	$ .24	$ .48	$ .35	$ .42
Food Service Margin	$ .28	$ .38	$ .34	$ .51	$ .50	$ .41
Bar Margin	$ .12	$ .45	$ .20	$ .29	$ .23	$ .23
Ski Shop Margin	$ .27	$ .35	$ .30	$ .15	$ .34	$ .28
Ski Rental Margin	$ 1.14	$ .58	$ .51	$ .34	$ .42	$ .62
Other Margin	$ .03	$ .38	$ .15	$ .02	$ .24	$ .15
Total - Revenue/Skier Visit	$12.40	$13.33	$13.29	$15.21	$15.31	$13.22
Base	(7)	(10)	(29)	(32)	(19)	(18)

TABLE 75

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY LENGTH OF SEASON

	Less Than 80 Days (000)	80-99 Days (000)	100-119 Days (000)	120-139 Days (000)	140-159 Days (000)	160 Days and Over (000)
Gross Fixed Assets	$1,508	$2,954	$5,591	$8,908	$8,226	$7,305
Revenue:						
Ski Lift Gross - Winter	$ 338	$ 983	$1,513	$3,503	$3,677	$3,265
Ski Lift Gross - Summer	18	3	73	21	26	14
Supporting Margin - Winter	78	287	272	509	624	698
Supporting Margin - Summer	0	97	43	61	20	186
Year Round Margin	146	23	733	740	190	180
TOTAL REVENUE	$ 580	$1,393	$2,634	$4,834	$4,537	$4,343
Less:						
Ski Lift Direct Expense	$ 137	$ 309	$ 628	$1,034	$1,054	$ 780
Payroll Taxes	8	10	62	138	254	93
Property Operation	15	11	144	223	264	164
OPERATIONS MARGIN	$ 420	$1,063	$1,800	$3,439	$2,965	$3,306
Less:						
General & Administrative	$ 114	$ 243	$ 372	$ 622	$ 667	$ 467
Marketing (advertising, public relations, promotion, etc.)	13	90	129	294	255	173
Insurance (property, liability)	36	41	78	110	129	143
Land Use Fees (public)	6	16	19	69	107	90
Land Use Fees (private)	1	0	6	42	13	3
Property Taxes	5	30	35	78	62	66
Other Taxes (except income)	3	9	43	82	45	58
Snowmaking	63	48	60	140	112	159
Snow Removal	1	2	11	16	24	3
Miscellaneous	14	51	15	65	13	178
Depreciation & Amortization	69	201	356	564	542	443
OPERATING PROFIT (LOSS)	$ 95	$ 332	$ 676	$1,357	$ 996	$1,523
Less: Interest	110	117	227	466	384	255
PROFIT (LOSS) BEFORE TAX	$ (15)	$ 215	$ 449	$ 891	$ 612	$1,268
Base	(7)	(10)	(29)	(32)	(19)	(18)

TABLE 76

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
BY LENGTH OF SEASON

	Percent of Gross Fixed Assets					
	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
Gross Fixed Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue:						
Ski Lift Gross - Winter	22.41%	33.28%	27.06%	39.32%	44.70%	44.70%
Ski Lift Gross - Summer	1.19	0.10	1.31	0.24	0.32	0.19
Supporting Margin - Winter	5.17	9.72	4.86	5.71	7.59	9.56
Supporting Margin - Summer	0.00	3.28	0.77	0.68	0.24	2.55
Year Round Margin	9.69	0.78	13.11	8.31	2.30	2.45
TOTAL REVENUE	38.46%	47.16%	47.11%	54.27%	55.15%	59.45%
Less:						
Ski Lift Direct Expense	9.08%	10.46%	11.23%	11.61%	12.81%	10.68%
Payroll Taxes	0.53	.34	1.11	1.55	3.09	1.27
Property Operation	1.00	.37	2.58	2.50	3.21	2.24
OPERATIONS MARGIN	27.85%	35.99%	32.19%	38.61%	36.04%	45.26%
Less:						
General & Administrative	7.55%	8.23%	6.65%	6.98%	8.11%	6.39%
Marketing (advertising, public relations, promotion, etc.)	0.86	3.05	2.31	3.30	3.10	2.37
Insurance (property, liability)	2.39	1.39	1.40	1.23	1.57	1.96
Land Use Fees (public)	0.40	0.54	0.34	0.77	1.30	1.23
Land Use Fees (private)	0.07	0.00	0.11	0.47	0.16	0.04
Property Taxes	0.33	1.02	0.63	0.88	0.75	0.90
Other Taxes (except income)	0.20	0.30	0.77	0.92	0.55	0.79
Snowmaking	4.18	1.62	1.07	1.57	1.36	2.18
Snow Removal	0.07	0.07	0.20	0.18	0.29	0.04
Miscellaneous	0.92	1.73	0.27	0.75	0.16	2.45
Depreciation & Amortization	4.58	6.80	6.37	5.33	6.58	6.06
OPERATING PROFIT (LOSS)	6.30%	11.24%	12.09%	15.23%	12.11%	20.85%
Less: Interest	7.29	3.96	4.06	5.23	4.67	3.49
PROFIT (LOSS) BEFORE TAX	(0.99)%	7.28%	8.03%	10.00%	7.44%	17.36%
Base	(7)	(10)	(29)	(32)	(19)	(18)

TABLE 77

AVERAGE SKI AREA FINANCIAL DATA- INCOME STATEMENT
BY LENGTH OF SEASON

	Percent of Revenue					
	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
Revenue:						
Ski Lift Gross - Winter	58.28%	70.57%	57.44%	72.47%	81.04%	75.18%
Ski Lift Gross - Summer	3.10	0.22	2.77	0.43	0.57	0.32
Supporting Margin - Winter	13.45	20.60	10.33	10.53	13.75	16.07
Supporting Margin - Summer	0.00	6.96	1.63	1.26	0.44	4.28
Year Round Margin	25.17	1.65	27.83	15.31	4.20	4.15
TOTAL REVENUE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Less:						
Ski Lift Direct Expense	23.62%	22.18%	23.84%	21.39%	23.23%	17.96%
Payroll Taxes	1.38	0.72	2.35	2.85	5.60	2.14
Property Operation	2.59	0.79	5.47	4.62	5.82	3.78
OPERATIONS MARGIN	72.41%	76.31%	68.34%	71.14%	65.35%	76.12%
Less:						
General & Administrative	19.66%	17.44%	14.12%	12.87%	14.70%	10.75%
Marketing (advertising, public relations, promotion, etc.)	2.24	6.46	4.90	6.08	5.62	3.98
Insurance (property, liability)	6.21	2.94	2.96	2.28	2.84	3.29
Land Use Fees (public)	1.03	1.15	0.72	1.43	2.36	2.07
Land Use Fees (private)	0.17	0.00	0.23	0.87	0.29	0.07
Property Taxes	0.86	2.15	1.33	1.61	1.37	1.52
Other Taxes (except income)	0.52	0.65	1.63	1.70	0.99	1.34
Snowmaking	10.86	3.45	2.28	2.90	2.47	3.66
Snow Removal	0.17	0.14	0.42	0.33	0.53	0.07
Miscellaneous	2.41	3.67	0.57	1.33	0.28	4.10
Depreciation & Amortization	11.90	14.43	13.52	11.67	11.95	10.20
OPERATING PROFIT (LOSS)	16.38%	23.83%	25.66%	28.07%	21.95%	35.07%
Less: Interest	18.97	8.40	8.61	9.64	8.46	5.87
PROFIT (LOSS) BEFORE TAX	(2.59)%	15.43%	17.05%	18.43%	13.49%	29.20%
Base	(7)	(10)	(29)	(32)	(19)	(18)

TABLE 78

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN
BY LENGTH OF SEASON

	Less Than 80 Days	80-99 Days	100-119 Days	120-139 Days	140-159 Days	160 Days and Over
SKI LIFT GROSS:						
Revenue (Winter)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
LESS:						
Ski Lift Payroll	22.54%	8.25%	7.96%	6.15%	6.01%	5.23%
Ski Patrol Payroll	0.00	1.88	3.90	3.57	2.86	2.20
Slope Maintenance Payroll	13.52	2.60	3.61	2.55	1.97	1.88
Maintenance & Repair Payroll	9.02	3.31	4.37	4.17	2.99	2.64
Ticket Sales Payroll	2.46	1.05	1.44	1.56	1.27	1.30
Other Payroll	2.46	2.25	2.33	1.35	1.74	0.90
TOTAL PAYROLL	50.00%	19.34%	23.61%	19.36%	16.84%	14.15%
OTHER DIRECT	0.82%	10.12%	12.16%	9.59%	8.81%	7.97%
GROSS MARGIN	49.18%	70.54%	64.23%	71.05%	74.35%	77.88%
Base	(1)	(8)	(20)	(27)	(15)	(14)

TABLE 79

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS
BY LENGTH OF SEASON

	Less Than 80 Days (000)	80-99 Days (000)	100-119 Days (000)	120-139 Days (000)	140-159 Days (000)	160 Days and Over (000)
Assets						
Current Assets	$ 89	$1,054	$ 763	$ 963	$1,506	$1,089
Gross Fixed Assets	1,508	2,837	5,081	7,596	7,895	7,305
Less: Depreciation	(682)	(1,178)	(1,713)	(2,188)	(2,623)	(2,864)
Other Assets	477	7	1,025	2,491	1,303	272
TOTAL ASSETS	$1,392	$2,720	$5,156	$8,862	$8,081	$5,802
Liabilities & Net Worth						
Current Liabilities	$ 152	$ 178	$ 774	$ 960	$ 898	$1,056
Long-Term Debt	596	1,287	1,719	2,365	1,826	1,539
Subordinated Debt	19	138	210	241	558	485
Deferred Taxes	99	140	53	44	208	21
Other Liabilities	43	1	305	559	78	92
Net Worth						
Invested	218	269	1,226	3,795	2,821	1,130
Retained Earnings	265	707	869	898	1,692	1,479
TOTAL LIABILITIES & NET WORTH	$1,392	$2,720	$5,156	$8,862	$8,081	$5,802
Base	(7)	(9)	(27)	(31)	(18)	(18)

IX

CHARACTERISTICS OF SKI AREAS WITH SNOWMAKING AND NIGHT SKIING OPERATIONS

For the sixth year, the study includes an additional chapter with an analysis of those respondents with snowmaking capability, and those that operate at night. This chapter presents this added data with a brief discussion of the major findings. The tables (Tables 80-89) follow the text.

Snowmaking ski areas averaged 14.3 percent operating profit on GFA, equal to the ski industry average. Snowmaking is required east of the Rockies and this past season again illustrated this. Eighty-nine percent of the respondents in New England, the East and Midwest have machine snowmaking. There are 31 snowmaking ski areas in the Rockies and the West, or 45 percent of the ski areas responding from those geographic areas. This is up from last year's 32 percent. These 45 percent earned a 16.0 percent operating profit on GFA, whereas the remaining 55 percent reported an average of 8.5 percent operating profits on GFA.

These operations have been evaluated using the rule of thumb measure discussed in Chapter III.

	Total Revenue to GFA		Percent Utilization		Factor	Judgment
All Ski Areas	53%	÷	40%	=	1.33	Good
All Snowmaking	63	÷	43	=	1.47	Good
New England Snowmaking	57	÷	37	=	1.54	Excellent
East and Midwest Snowmaking	59	÷	40	=	1.48	Good
Rockies and West Snowmaking	58	÷	47	=	1.23	Good
All Night Operations	65	÷	36	=	1.81	Excellent

Night operations were again separated. Night skiing effectively doubles the potential earning power with only cursory additions to capital. The economic characteristics of ski areas with potential night skiing are excellent. Earning power increases in spite of a significant drop in revenue per skier visit. Ski areas with night operations averaged a 10.9 percent return on GFA with only a 36 percent utilization, while the overall average ski area made 14.6 percent return at a 40 percent utilization rate.

The 1981-82 survey contains data concerning snowmade coverage, hours of operation and operating costs. Tables 87 and 88 summarize this data. The average ski area with snowmaking capability covers 87 acres or 21.9 percent of the developed slopes and trails. The East and Midwest regions cover 82.9 percent, and New England 55.0 percent, while only 9.9 percent of the Rockies and Western snowmade ski areas are machine covered. All of these percentages are up from last year indicating that ski areas in all regions are adopting or expanding their reliance on snowmaking.

Similarly the 44 ski areas with lights for night skiing cover an average of only 81 acres or 14.7 percent of the developed acreage.

Snowmaking Costs

In an effort to establish some standard measure of snowmaking efficiency the authors have summarized reported costs in costs per acre hour of snowmaking. An acre hour is the product of coverage (acres) and hours of system operations. Survey respondents were asked to supply acres of snowmaking coverage, hours of system operation, and operating costs broken into labor, power, maintenance, and other categories. Table 89 summarizes the results of this initial measure.

TABLE 80

AVERAGE SKI AREA CHARACTERISTICS
SKI AREAS WITH SNOWMAKING & NIGHT OPERATIONS

	With Snowmaking				With
	New England	East & Midwest	Rockies & West	All	Night Operations
SIZE					
VTF/Hour (000)	6,195	2,951	8,913	6,239	4,471
Gross Fixed Assets (000)	$7,066	$3,656	$11,459	$7,773	$4,573
Skiable Acres	187	111	737	397	553
LOCATION					
Within 50 Miles of SMSA	19%	52%	26%	33%	59%
With 6+ Areas in 1 Hour	94%	28%	32%	40%	23%
New England	100%	- %	- %	22%	7%
East	- %	56%	- %	20%	27%
Midwest	- %	44%	- %	15%	23%
Central Rockies	- %	- %	61%	26%	5%
Northern Rockies	- %	- %	13%	6%	11%
California & Nevada	- %	- %	19%	8%	9%
Pacific Northwest	- %	- %	7%	3%	18%
SITE CHARACTERISTICS					
Number of Beds at Base	485	126	2,652	1,293	264
Number of Beds (10 Miles)	2,722	1,338	10,227	5,487	1,531
With Snowmaking	100%	100%	100%	100%	59%
With Night Skiing	10%	63%	11%	29%	100%
Terrain: Beginner	28%	30%	23%	27%	28%
Intermediate	47%	49%	46%	47%	49%
Expert	25%	21%	30%	26%	23%
BUSINESS CHARACTERISTICS					
Operating With USFS Permit	31%	4%	84%	44%	27%
Engaged in Land Development	56%	40%	45%	46%	39%
OPERATIONAL CHARACTERISTICS					
Avg. Days/Nights of Operation	128	133	133	132	146
Average Peak Day Crowd	4,521	3,244	5,484	4,492	3,734
Average Skier Visits (000)	207	126	301	219	157
Average Age of Ski Areas	27 years	22 years	20 years	22 years	24 years
ECONOMIC CHARACTERISTICS					
Average Revenue/Skier Visit	$16.19	$13.23	$15.47	$15.17	$12.76
Avg. Lift Ticket Revenue/S-V	$12.93	$10.25	$14.12	$13.10	$10.58
Avg. Adult Lift Ticket Price (Weekend)	$17.87	$15.00	$17.00	$16.49	$14.53
Avg. Adult Lift Ticket Price (Weekday)	$15.78	$12.08	$16.00	$14.79	$12.53
Average Night Ticket Price	$ 8.33	$ 8.85	$ 8.66	$ 8.76	$ 8.42
Avg. Adult Season Ticket Price	$ 343	$ 247	$ 334	$ 306	$ 273
Average Utilization	37%	40%	47%	43%	36%
Avg. Profit (Loss) Before Tax	$ 490	$ 273	$1,293	$ 760	$ 300
Ratio: Revenue/GFA	57%	59%	58%	63%	65%
Base	(16)	(25)	(31)	(72)	(44)

TABLE 81

ECONOMIC RATIOS–SNOWMAKING & NIGHT OPERATIONS

	With Snowmaking				With Night Operations
	New England	East & Midwest	Rockies & West	All	
VTF/Hour (000)	6,195	2,951	8,913	6,239	4,471
VTF/Hour - Demand/Skier Visit	1,500	1,288	1,857	1,651	1,504
Skier Capacity	4,130	2,291	4,799	3,780	2,972
Days/Nights of Operation	128	133	133	132	146
Season Capacity (000)	553	315	645	510	437
Actual Skier Visits (000)	207	126	301	219	157
Profit (Loss) Before Tax (000)	$ 490	$ 273	$ 1,293	$ 760	$ 300
Plus: Depreciation (000)	$ 394	$ 214	$ 816	$ 513	$ 293
Before Tax Cash Flow (000)	$ 884	$ 487	$ 2,109	$1,273	$ 593
Operating Profit (Loss) (000)	$ 748	$ 438	$ 1,838	$1,109	$ 498
Cash Operating Costs (000)	$2,620	$1,260	$ 3,582	$2,564	$1,599
Gross Fixed Assets (000)	$7,066	$3,656	$11,459	$7,773	$4,573
Long Term Debt (000)	$2,112	$1,178	$ 3,072	$2,224	$1,545
Equity (000)	$2,179	$1,351	$ 6,258	$3,647	$1,361
Critical Ratios					
Health (Debt to Cash Flow)	2.39X	2.41X	1.46X	1.75X	2.61X
Profitability:					
Operating Profit on GFA	10.59%	11.98%	16.04%	14.26%	10.89%
Profit (BT) on Equity	22.49%	20.20%	20.66%	20.83%	22.06%
Performance:					
Average Utilization	37.43%	40.00%	46.67%	42.94%	35.93%
Days/Nights of Operation	128	133	133	132	146
Policy & Planning:					
Capital/Capacity Ratio	$1,711	$1,596	$ 2,388	$2,056	$1,539
Operating/Capacity Ratio	$ 4.74	$ 4.00	$ 5.55	$ 5.02	$ 3.66
Revenue/Skier Visit:					
Ski Lift Gross	$12.93	$10.25	$ 14.12	$13.10	$10.58
Ski School Margin	$ .46	$ .47	$ .48	$ .47	$ .32
Food Service Margin	$ .85	$ .65	$ .31	$ .49	$ .45
Bar Margin	$ .54	$ .43	$ .11	$ .26	$ .39
Ski Shop Margin	$ .50	$ .23	$ .13	$ .22	$ .20
Ski Rental Margin	$ .71	$ .99	$ .32	$ .53	$ .67
Other Margin	$ .20	$ .21	$ .00	$ .09	$ .15
Total - Revenue/Skier Visit	$16.19	$13.23	$ 15.47	$15.16	$12.76
Base	(16)	(25)	(31)	(72)	(44)

TABLE 82

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Snowmaking				With Night Operations (000)
	New England (000)	East & Midwest (000)	Rockies & West (000)	All (000)	
Gross Fixed Assets	$7,066	$3,656	$11,459	$7,773	$4,573
Revenue:					
Ski Lift Gross - Winter	$2,682	$1,289	$ 4,244	$2,871	$1,665
Ski Lift Gross - Summer	34	0	36	23	42
Supporting Margin - Winter	826	457	433	530	415
Supporting Margin - Summer	133	89	86	96	131
Year Round Margin	82	82	1,437	666	137
TOTAL REVENUE	$3,757	$1,917	$ 6,236	$4,186	$2,390
Less:					
Ski Lift Direct Expense	$ 554	$ 359	$ 1,434	$ 865	$ 504
Payroll Taxes	260	56	144	140	67
Property Operation	455	37	185	194	165
OPERATIONS MARGIN	$2,488	$1,465	$ 4,473	$2,987	$1,654
Less:					
General & Administrative	$ 458	$ 353	$ 823	$ 579	$ 388
Marketing (advertising, public relations, promotion, etc.)	315	110	315	244	130
Insurance (property, liability)	109	77	138	110	85
Land Use Fees (public)	51	6	110	61	20
Land Use Fees (private)	14	4	39	21	14
Property Taxes	44	28	90	58	40
Other Taxes (except income)	62	37	89	65	12
Snowmaking	220	167	143	168	117
Snow Removal	6	2	21	11	5
Miscellaneous	67	29	51	48	52
Depreciation & Amortization	394	214	816	513	293
OPERATING PROFIT (LOSS)	$ 748	$ 438	$ 1,838	$1,109	$ 498
Less: Interest	258	165	545	349	198
PROFIT (LOSS) BEFORE TAX	$ 490	$ 273	$ 1,293	$ 760	$ 300
Base	(16)	(25)	(31)	(72)	(44)

TABLE 83

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Percent of Gross Fixed Assets				
	Snowmaking				With Night Operations
	New England	East & Midwest	Rockies & West	All	
Gross Fixed Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Revenue:					
Ski Lift Gross - Winter	37.96%	35.26%	37.04%	36.94%	36.41%
Ski Lift Gross - Summer	0.48	0.00	0.31	0.30	0.92
Supporting Margin - Winter	11.69	12.50	3.78	6.82	9.08
Supporting Margin - Summer	1.88	2.43	0.75	1.24	2.86
Year Round Margin	1.16	2.24	12.54	8.57	3.00
TOTAL REVENUE	53.17%	52.43%	54.42%	53.87%	52.27%
Less:					
Ski Lift Direct Expense	7.84%	9.82%	12.51%	11.13%	11.02%
Payroll Taxes	3.68	1.53	1.26	1.80	1.47
Property Operation	6.44	1.01	1.61	2.50	3.61
OPERATIONS MARGIN	35.21%	40.07%	39.04%	38.44%	36.17%
Less:					
General & Administrative	6.48%	9.66%	7.18%	7.45%	8.48%
Marketing (advertising, public relations, promotion, etc.)	4.46	3.01	2.75	3.14	2.84
Insurance (property, liability)	1.54	2.11	1.20	1.42	1.86
Land Use Fees (public)	0.72	0.16	0.96	0.78	0.44
Land Use Fees (private)	0.20	0.11	0.34	0.27	0.31
Property Taxes	0.62	0.77	0.79	0.75	0.87
Other Taxes (except income)	0.88	1.01	0.78	0.84	0.26
Snowmaking	3.11	4.57	1.25	2.16	2.56
Snow Removal	0.08	0.05	0.18	0.14	0.11
Miscellaneous	0.95	0.79	0.45	0.62	1.14
Depreciation & Amortization	5.58	5.85	7.12	6.60	6.41
OPERATING PROFIT (LOSS)	10.59%	11.98%	16.04%	14.27%	10.89%
Less: Interest	3.65	4.51	4.76	4.49	4.33
PROFIT (LOSS) BEFORE TAX	6.93%	7.47%	11.28%	9.78%	6.56%
Base	(16)	(25)	(31)	(72)	(44)

TABLE 84

AVERAGE SKI AREA FINANCIAL DATA–INCOME STATEMENT
SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Percent of Revenue				
	Snowmaking				With
	New England	East & Midwest	Rockies & West	All	Night Operations
Revenue:					
Ski Lift Gross - Winter	71.39%	67.24%	68.06%	68.58%	69.67%
Ski Lift Gross - Summer	0.90	0.00	0.58	0.56	1.76
Supporting Margin - Winter	21.99	23.84	6.94	12.66	17.36
Supporting Margin - Summer	3.54	4.64	1.38	2.29	5.48
Year Round Margin	2.18	4.28	23.04	15.91	5.73
TOTAL REVENUE	100.00%	100.00%	100.00%	100.00%	100.00%
Less:					
Ski Lift Direct Expense	14.75%	18.73%	23.00%	20.65%	21.09%
Payroll Taxes	6.92	2.92	2.30	3.34	2.80
Property Operation	12.11	1.93	2.97	4.64	6.90
OPERATIONS MARGIN	66.22%	76.42%	71.73%	71.36%	69.21
Less:					
General & Administrative	12.19%	18.41%	13.20%	13.83%	16.23%
Marketing (advertising, public relations, promotion, etc.)	8.38	5.74	5.05	5.83	5.44
Insurance (property, liability)	2.90	4.02	2.21	2.63	3.56
Land Use Fees (public)	1.36	0.31	1.76	1.46	0.84
Land Use Fees (private)	0.37	0.21	0.63	0.50	0.59
Property Taxes	1.17	1.46	1.44	1.39	1.67
Other Taxes (except income)	1.65	1.93	1.43	1.55	0.50
Snowmaking	5.86	8.71	2.29	4.01	4.90
Snow Removal	0.16	0.10	0.34	0.26	0.21
Miscellaneous	1.78	1.52	0.82	1.15	2.17
Depreciation & Amortization	10.49	11.16	13.09	12.26	12.26
OPERATING PROFIT (LOSS)	19.91%	22.85%	29.47%	26.49%	20.84%
Less: Interest	6.87	8.61	8.74	8.33	8.29
PROFIT (LOSS) BEFORE TAX	13.04%	14.24%	20.73%	18.16%	12.55%
Base	(16)	(25)	(31)	(72)	(44)

TABLE 85

SKI LIFT DEPARTMENT DIRECT COST BREAKDOWN
SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Snowmaking				With Night Operations
	New England	East & Midwest	Rockies & West	All	
SKI LIFT GROSS:					
Revenue (Winter)	100.00%	100.00%	100.00%	100.00%	100.00%
LESS:					
Ski Lift Payroll	5.00%	6.05%	6.67%	6.22%	6.92%
Ski Patrol Payroll	1.74	1.10	4.00	3.16	2.01
Slope Maintenance Payroll	1.29	1.85	2.94	2.44	2.41
Maintenance & Repair Payroll	2.99	2.00	4.22	3.69	3.54
Ticket Sales Payroll	0.86	1.19	1.64	1.41	1.48
Other Payroll	0.97	1.64	2.22	1.87	1.41
TOTAL PAYROLL	12.85%	13.83%	21.69%	18.79%	17.77%
OTHER DIRECT	6.39%	11.77%	10.30%	9.56%	11.00%
GROSS MARGIN	80.76%	74.40%	68.01%	71.65%	71.23%
Base	(16)	(13)	(26)	(55)	(30)

TABLE 86

AVERAGE SKI AREA FINANCIAL DATA–BALANCE SHEETS
SKI AREAS WITH SNOWMAKING AND NIGHT OPERATIONS

	Snowmaking				With Night Operations (000)
	New England (000)	East & Midwest (000)	Rockies & West (000)	All (000)	
Assets					
Current Assets	$1,292	$ 710	$ 1,147	$1,020	$ 717
Gross Fixed Assets	7,395	3,656	9,752	7,031	4,573
Less: Depreciation	(3,113)	(2,471)	(2,437)	(2,234)	(1,942)
Other Assets	1,514	239	3,126	1,730	333
TOTAL ASSETS	$7,088	$3,134	$11,588	$7,547	$3,681
Liabilities & Net Worth					
Current Liabilities	$1,112	$ 478	$ 1,241	$ 937	$ 650
Long-Term Debt	1,816	1,119	3,016	2,068	1,253
Subordinated Debt	543	59	268	252	292
Deferred Taxes	218	65	53	93	80
Other Liabilities	1,075	61	320	391	46
Net Worth					
Invested	1,177	681	5,243	2,706	926
Retained Earnings	1,147	670	1,447	1,100	435
TOTAL LIABILITIES & NET WORTH	$7,088	$3,134	$11,588	$7,547	$3,681
Base	(15)	(25)	(29)	(69)	(44)

TABLE 87

SNOWMAKING ACREAGE, COVERAGE AND CAPACITY
SKI AREAS WITH SNOWMAKING

	New England	East & Midwest	Rockies & West	All
Average Skiable Acres	187	111	737	397
Average Snowmade Acres	103	92	73	88
Proportion	55.0%	82.9%	9.9%	21.9%
Average Capacity	3,971	3,084	4,969	4,093
Average Density	21/acre	27/acre	7/acre	10/acre
Base	(16)	(25)	(31)	(72)

TABLE 88

SNOWMAKING ACREAGE, COVERAGE AND CAPACITY
AREAS WITH NIGHT SKIING AND SNOWMAKING

	Snowmaking			All Areas With Night Skiing
	New England	East & Midwest	Rockies & West	
Average Skiable Acres	187	111	737	553
Average Lighted Acres	54	75	56	81
Proportion	28.9%	27.6%	7.6%	14.7%
Average Night Capacity	900	2,150	1,717	1,718
Average Night Density	17/acre	29/acre	31/acre	21/acre
Base	(3)	(21)	(6)	(44)

TABLE 89

SNOWMAKING COST ANALYSIS, 1981-82

	New England	East & Midwest	Rockies & West	Total Sample
Labor (000)	$ 60.5	$ 33.5	$ 42.7	$ 43.5
Power (000)	107.7	89.0	65.3	82.9
Maintenance (000)	37.6	26.3	20.9	26.5
Other (000)	14.2	17.7	14.1	15.4
Total (000)	$220.0	$166.5	$143.0	$168.3
Acres Covered	103	92	76	88
Hours Operated	982	955	569	793
Average Cost/Acre Hour	$ 2.18	$ 1.90	$ 3.31	$ 2.41
Base	(16)	(25)	(31)	(72)

X

COMMENTS FROM SKI AREAS

The questionnaire asked respondents to provide comments on the season: What were the highlights, such as new areas or major expansions, unusual weather conditions, or major pricing or marketing activities that have affected your performance for the 1981-82 season? The answers to this question are reported verbatim in this chapter. They have been arranged by geographic area to make them more meaningful.

EAST

We had an excellent snow year and our revenues and margins were quite good. However, we were disappointed with our skier days and midweek and vacation volume.

Good winter—lots of snow.

Season was a definite 10 on a scale of 10. No weekends or holidays lost to ill weather. Good steady demand underwritten by a good year of area-wide real estate sales (condos, vacation homes and condos by neighboring developers). This is an important part of our skier day growth.

A good season, not a great season. Felt the effects of increased competition due to a good snow year everywhere. We are rethinking our marketing and pricing strategies. We have some doubts about the effectiveness and/or profitability of discount ticket schemes. We did not see an increase in skier-visits as a result of discounts but simply an erosion of $/SV.

Gunstock enjoyed the best snow year ever. Snowmaking was extended to the top this year giving us additional advertising clout and insured good to excellent skiing in excess of 100 days.

About 25,000 skier days lost in late October and early November because of warm temperatures that closed lifts for two weeks. Pretty constant season that resulted in consistent business. Latest closing ever (June 15) helped offset slow start.

Operated first nine days on machine-made snow, followed by substantial snowfall in early December on top of this base, and supplemented by additional snowmaking, provided good skiing conditions most of the season. Were ahead of best year into mid-January but effects of economy began to show, especially in the below normal February vacation period. Was a good year resulting in highest operating revenue, second latest closing, second longest season, and second highest skier-visits.

An abundant natural snowfall totaling 126 inches, combined with our increased snowmaking facilities generated the best year in our 35 year history, our gross revenues were up 43% over our previous record, and skier-visits were up 32%.

Good snow December and January = good business. Fair snow February and March = fair business. Great early April snow. High winds shut lifts down too often. Our last "natural" snow year!

Longest season in days of operation on our records. Most skier days on record. Snowmaking done between 12/6 and 12/23 -nothing for balance of season due to natural snowfall. Other small areas in the region without snowmaking certainly drew some business from Six due to the natural conditions.

Best yet due to skier acknowledgment of winter snow conditions.

We lengthened a lift (3x) which increased daily capacity by 400 skiers. We installed a $2 million snowmaking system covering 15 of 20 trails. Best season ever.

Fairly good Christmas, poor January because of several severe storms, good February and March and stayed open later than usual, to April 12. Construction of 103-unit hotel completed in January.

Holiday Valley experienced significant growth in skier-visits and income due to both physical and economic factors. A new expressway opening enabled skiers to save approximately 15-30 minutes in drive time and aggravation. A Quad Chairlift was installed to replace a T-bar located in an expert slope area and significantly increased uphill capacity. We also believe that our reputation for the "Quality ski experience" has become well established. This fact, combined with the consumer attitude of getting the best for their dollar also contributed to our growth.

Addition: 20 acres intermediate/advanced trails complete with snowmaking, lights and Quad lift.

The snow was good throughout the season in the northeast. However, the expected number of skiers did not show up even without price hikes from the previous season.

A 1 million dollar snowmaking expansion delivered record long season (137 days) even with a late start. Gross up 27%. Skier-visits up about the same, in spite of 5 sub zero "freeze out" weekends in January. High interest and utility rates hurt the bottom line. Poor economic times also softened attendance, but still a very good year.

The average skiing condition was consistently about the best ever. Relatively good natural snow and no major thaws. Many skiers missed exceptional skiing due to weather scares. Drastic discounting by nearby area cut into group business.

The weather was unfavorable, in that three consecutive Sundays in January were unusually cold. Then we had a warm-up and slight thaw the last two weeks of February.

Good weather -no thaw.

MIDWEST

A rather strange winter in the Ohio Valley, especially January with temperatures below -20^{O} and then record rainfalls, nearly 8" with flooding, finally a "wipe-out" thaw right after George Washington's birthday. Though, with a little help from nature and the extraordinary efforts of a superb snowmaking crew Paoli Peaks experienced a "normal" winter with 80% of its revenue volume achieved over Christmas holidays and 10 days in February.

Every year we try to add some new activity. This past season it was a sculpture contest along with our Bikini Race and midnight skiing. Nastar was very good this year. Weather in January was very bad--weather forecasters are idiots and cry wolf when they know not what they speak. Weathermen should be schooled on skiing attitudes and weather.

The 1981-82 season would have been good, except for bitterly cold weather every weekend in January, and unseasonably warm (hot) weather two weeks in mid-February, which also affected adversely our March attendance. December was one of the best ever, so except for weather, we would have had a bonanza year. We are recession proof in that when times are bad, skiers who normally travel to the Rockies, ski at Wilmot and save money.

We lost 3 big weekends in January--1 due to extreme cold, and 2 due to the weather forecasters predicting extreme cold and dramatizing the weather.

Good early season and holiday traffic but January weekends were either much too cold or rainy to attract crowds. January losses mostly made up in February and March making 1981-82 season slightly better than previous although high costs (utilities, interest, etc.) brought about a net loss for the year.

ROCKY MOUNTAIN

Very unusual weather, dry, not much snow, 47 days operation. Addition of new lift alleviated major congestion troubles, will be able to handle more skiers with "A" quality experience. Marketing thrust yet to be fairly evaluated.

Unusual weather conditions: lack of snow delayed our opening. Target opening date was November 20th. Actual opening date was December 21.

Our skier day count was down due to our neighboring ski areas receiving good natural snow and us not being as fortunate.

We had the best year we've ever had in attendance and in gross dollars. Our snow was fantastic most of the season and we re-couped a lot of our loss from the previous season.

Added snowmaking to 1/5 of area.

Snowmaking new in 81/82. Air-water System. The snowmaking system and early snows helped guarantee a successful Christmas business.

We effected a major and expensive marketing program, greater than had ever been done in the past. The results were great. We effectively marketed the region we had targeted and increased our attendance by 20% over our previous record year. Strong advertising and reasonable pricing are the answers for the future. This was our first year with all new and expanded ski area. The majority of people that skied our mountain could not believe the change. Word of mouth advertising was a major contribution to our successful year.

Opened Sunshine Meadow--area facility for beginners. Equipped with Sadali Handle Tow. Marketing "Ski Retreat" (church group lodging, skiing, meals and activities). Summer of 1982 completed phase I of SKI SUNLIGHTS' master plan by doubling the size of the day lodge.

Opened excellent additional beginner terrain, spread utilization evenly over entire mountain.

Abundance of dry, light powder. Relocation plus expansion of ticket office. New restrooms. Three-day super saver (3 consecutive days of all lift tickets and 6 lessons).

Lack of snow–January 15 to March 15–hurt us.

Our expanded snowmaking gave us excellent lower mountain snow coverage throughout the year. In spite of poor economy, Vail and Beaver Creek combined, performed better than Vail in 1979-80, and Vail improved its penetration of the Colorado market.

The most significant factor influencing the success of the 1981-82 winter season at Jackson Hole, Wyoming was the soft national economy. We believe this to be the primary variable and, when coupled with excellent snow conditions throughout the country (east coast and west coast), skiers were afforded the opportunity to remain close to the major population centers throughout the winter season. This produced a very soft demand for destination ski resorts in the Rocky Mountains and in particular, Jackson Hole, Wyoming. Total skiers were 67% of the previous record season of 1978-79. Of secondary importance was the lingering effects of the Air Traffic Controller's strike which restricted frequencies into and out of the Denver, Colorado airport. With restricted frequencies, the airlines tended to not offer as large a discount for vacationing skiers as in past years. This further added to the problem of a soft national economy. A major operation change at Jackson Hole for the winter of 1981-82 was the change in policy for the aerial tram tickets from an all-day ticket to a single-ride ticket. Each single-ride reservation ticket cost $2 in addition to the all-day chairlift ticket. For the average skier, skiing the aerial tram twice a day, the ticket differential between the all-day chairlift and the all-day tram ticket (previously at $4) remained the same. The expert skier definitely paid more for their skiing. However, the system met with a favorable response from most skiers as well as some violent complaints from expert skiers. The system appeared more equitable than the all-day ticket system, and did allow a broader segment of the skiers visiting Jackson Hole to use the aerial tram as compared with a few skiers skiing many runs. The individual tram reservation ticket system at Jackson Hole will remain in effect for the 1982-83 winter season. It is a definite method of capacity allocation when there is a severe limitation to capacity. One mile of air-water-snowmaking was added to the lower 1,000 vertical feet of Apres Vous Mountain at the Jackson Hole Ski Resort, which afforded skiers a guaranteed good skiing service off of Rendezvous and Apres Vous Mountains. The system, which was completed in early November, 1981 was put into operation during the latter part of November, 1981, and operated approximately 300 hours and very successfully completed its objective. The management views this improvement in skiing quality early in the season and late in the season on the lower portion of the mountain an absolute necessity when considering the skier expectations in current times. Weather played somewhat of a factor in the 1981-82 season. There was excellent snow conditions from opening day, December 5, 1981 through closing, April 10, 1982. Along with the excellent snow conditions came mostly cloudy weather throughout the winter season with very little, if no sunshine, during the spring. Powder snow conditions existed during the first week in April, 1982 with good snow conditions. There were approximately 25 days with severe enough winds to restrict the aerial tram operation and reduce the desirability of skiing on other slopes. A very significant development for Jackson Hole, Wyoming was introduction of a Boeing 737 twinjet service from Denver to Jackson for the 1981-82 winter season. This service has been expanded greatly for the 1982-83 winter season. In summary, the national economy and transportation are the greatest variables affecting the success of the Jackson Hole Ski Resort.

Business was up because of a return to more normal weather patterns.

Everyone around us was getting heaps of snow but we were dry as a bone. Opened one month late; operated on only 20% of terrain & lift capacity until Feb. 1; 100% terrain finally open March 15. But heavy marketing paid off. Only 18% off record skier-visits. Best revenue year ever. Did a ½ price lift ticket on Monday and Tuesday which tripled skier-visits and doubled gross on those days.

Record snowfall hurt attendance. December broke all records, most snow came during Christmas holidays and prevented getting to area. Snowfall for season 751 inches, average 500 inches.

Opened on Thanksgiving Day, gradually increased snowdepth and slopes open until major storms started Dec. 20. Heavy snowfall for 16 consecutive days (through holidays). Snow storms every weekend in January and early February. Rain on Washington's Birthday and next weekend. Strong Spring finish due to winter conditions, excessive snow depths. Better weekend weather and no rain in February would have improved our performance. Season pass sales dropped dramatically due to poor 80/81 season and the state of the economy.

In spite of excellent skiing conditions, skier-visits were down, probably due to competition from a new ski area, and poor economic conditions.

Best ever.

The 1981-82 season was our premier season. The management was pleased with the overall success of Deer Valley for its first year. Deer Valley's unique approach to the skier has seemed to have gone over well.

We had our "Backside" open with a shuttle running for the first season which increased our amount of expert and powder runs available. Poor weather conditions in the first half of the season then no spring weather hurt ticket sales.

Excellent snow conditions were the major contributing factor for such a superlative season.

WEST

Later than usual opening (Nov. 26, 1981), Good snowfall in early January. Business strong, especially in late April. Best April ever.

Experienced a very heavy winter, which was highlighted by an avalanche which resulted in the death of 7 people and the destruction of 2 major lifts and a major building. Total damage to property estimated to be between 1 and 2 million dollars. The above resulted in record number of days closed.

New Yawn triple lift installed this season. Did not have good snow during major holiday seasons.

New double chair replacing 17-yr old Constam T-bar opened 1/24/82. Despite general "great snow" winter, Lee Canyon was in drought for early winter–opened January 10, closed February 22, reopened March 16, closed in downpour on Easter. Third lowest number of days in operation (1976-77 and 1980-81 were worse).

Late start (12-23-81), heavy snow at times, rain, hurt business in Feb./March. Good in late March/ April. Snow Summit Ski Corporation purchased area in December, 1981.

Heavy snowfall (normal is 450-500", this season was 667") caused many highway closures. Blizzard conditions and some warm storms kept crowds low at normally peak periods. The economy appeared to affect us slightly, but could have been worse if we did not offer reasonable rates.

Major snow and rain storms in the Sierras significantly impacted business in the 81-82 season.

Added 2 triple chairlifts that reduced lift lines wait by 2/3. Added a new 10,000 square foot maintenance shop. Expanded the retail facility 50%. Expanded the ski rental facility 25%.

Business down from normal years (e.g., 1977/78 to 1979/80) except for the 1980/81 disaster due to economy, road closures (too much snow!). In general, very satisfactory.

Good snow overall, but severe storms caused complete loss of one day at Christmas and the whole Washington holiday. In spite of very poor regional economy, skier days went from 517,000 to 544,000. New chair lifts and lodge were very well received. Interest rates are a depressing factor on further capital investments.

Excellent snow conditions.

We had an unusually good year for snow and the longest season on record. An intensive regional media promotion increased business substantially. Destination numbers declined slightly.

Winter ski season opened prior to Thanksgiving weekend. Constructed Blossom Chairlift (Riblet Double Chair). Opened Wy'east Day Lodge. Best year on record.

We had excellent snowfall and July 3rd opened our Alpine Slide.

Good season except for 2 weeks in February.

Good snow season, normal weather, 4 new runs–Labatts World Cup Freestyle, Subaru Womens Pro Race–early December or January, 2 tickets for price of 1 upon presentation of newspaper ad (tickets could not both be used the same day).

Added night skiing. Good snow year. Added new grooming equipment. Poor Easter holiday turnout.

APPENDIX A

LIST OF SKI AREAS RESPONDING TO THE NATIONAL SKI AREAS ASSOCIATION ANNUAL ECONOMIC SURVEY, 1981-82 SEASON

This list consists of the 115 ski areas that responded to the annual economic survey and provided complete financial data. The ski areas are listed in alphabetical order by region.

East

Attitash Ski Area
Rt. 302
Bartlett, New Hampshire 03812

Blue Mountain Resorts and B. M. Peaks
R.R. No. 3
Collingwood, Ontario
Canada L9Y 3Z2

Bretton Woods Ski Resort
Route 302
Bretton Woods, New Hampshire 03575

Bromley, Inc.
P.O. Box 1130
Manchester Center, Vermont 05255

Butternut Basin
Gt. Barrington, Massachusetts 01230

Camelback Ski Corporation
Box 168
Tannersville, Pennsylvania 18372

Canaan Valley
Rt. 1, Box 39
Davis, West Virginia 26260

Cataloochee Ski Area
Rt. 1, Box 500
Maggie Valley, North Carolina 28751

Catamount
Hillsdale, New York 12529

Gunstock Area
P.O. Box 336
Laconia, New Hampshire 03246

Hidden Valley Highlands Ski Club
Group Box No. 74, R.R. No. 4
Huntsville, Ontario
Canada P0A 1K0

Holiday Valley Ski Resort
P.O. Box A, Holiday Valley Road
Ellicottville, New York 14731

Jay Peak Ski Area
Route 242
Jay, Vermont 05859

Jiminy Peak, Inc.
Corey Road
Hancock, Massachusetts 01237

Killington Ski Area
Killington Road
Killington, Vermont 05751

King Ridge
RFD
New London, New Hampshire 03257

Kissing Bridge Corporation
Route 240
Glenwood, New York 14069

Loon Mountain Recreation Corp.
Lincoln, New Hampshire 03251

Lost Valley Inc.
P.O. Box 260
Auburn, Maine 04210

Mount Snow Ski Resort
Mount Snow (West Dover), Vermont 05356

Mt. Sunapee
Mt. Sunapee, New Hampshire 03772

Peek'n Peak Recreation, Inc.
Ye Olde Road
Clymer, New York 14724

Ski Hickory Hill, Inc.
Box 9004
Schenectady, New York 12309

Ski Liberty
Box D
Fairfield, Pennsylvania 17320

Ski Roundtop
R. D. No. 1, Box 256
Lewisberry, Pennsylvania 17339

Ski Valley
West Hollow Road
Naples, New York 14512

Snowshoe
P.O. Box 10
Snowshoe, West Virginia 26209

Springfield Ski Club
P.O. Box 158
Blandford, Massachusetts 01008

Station Touristique du Mont Tremblant
Mont Tremblant, Quebec
Canada JOT 1Z0

Stratton Mountain
Stratton Mountain, Vermont 05155

Suicide Six Ski Area
Woodstock, Vermont 05091

Swain Ski Center
Swain, New York 14884

Waterville Valley
Tripoli Road
Waterville Valley, New Hampshire 03223

Wildcat Mountain
Pinkham Notch
Jackson, New Hampshire 03846

Midwest

Buena Vista
P.O. Box 308
Bemidji, Minnesota 56601

Crystal Mountain
M-115
Thompsonville, Michigan 49683

Indianhead Mountain
Indianhead Mountain Road
Wakefield, Michigan 49968

Mad River Mountain
P.O. Box 22
Bellefontaine, Ohio 43311

Mt. Brighton Ski Area
4141 Bauer Rd.
Brighton, Michigan 48116

Paoli Peaks Inc.
P.O. Box 67
Paoli, Indiana 47454

Pine Mountain
Pine Mountain Rd., Rte. 2
Iron Mountain, Michigan 49801

Rib Mountain
Rt. 4, Box 387
Wausau, Wisconsin 54401

Skyline Ski Area
Rt. No. 1, Box 1708
Grayling, Michigan 49738

Snow Trails
P.O. Box 1456
Possum Run Road
Mansfield, Ohio 44901

Sundown
9000 Asbury Rd.
Dubuque, Iowa 52001

Wilmot Mountain Inc.
Box 177
Wilmot, Wisconsin 53192

Rocky Mountain

Alta
Alta, Utah 84092

Aspen Mountain
P.O. Box 1248
Aspen, Colorado 81612

Beaver Creek
P.O. Box 7
Vail, Colorado 81658

The Big Mountain
P.O. Box 1215
Whitefish, Montana 59937

Bogus Basin
2405 Bogus Basin Road
Boise, Idaho 83702

Breckenridge
P.O. Box 1058
Breckenridge, Colorado 80424

Bridger Bowl
15795 Bridger Canyon Road
Bozeman, Montana 59715

Buttermilk Ski Area
P.O. Box 1248
Aspen, Colorado 81612

Copper Mountain Corporation
1031 13th St. Galleria
Denver, Colorado 80204

Crested Butte
P.O. Box A,
Mt. Crested Butte, Colorado 81225

Deer Valley Resort Co.
P.O. Box 889
Park City, Utah 84060

Grand Targhee Resort
12 Miles East of Driggs
Driggs, Idaho 83422

Hidden Valley Ski Area
P.O. Box 98
Estes Park, Colorado 80517

Jackson Hole Ski Corporation
P.O. Box 290
Teton Village, Wyoming 83025

Lake Eldora Corporation
P.O. Box 430
Nederland, Colorado 80466

Loveland Basin Ski Areas
P.O. Box 899
Georgetown, Colorado 80444

Monarch Ski Area
Monarch Recreation Corporation
Garfield, Colorado 81227

Park City Ski Area
P.O. Box 39
Park City, Utah 84060

Powder Mountain, Inc.
Box 110
Eden, Utah 84310

Powderhorn Ski Corporation
P.O. Box 1826
Grand Junction, Colorado 81501

Purgatory Ski Resort
P.O. Box 666
Durango, Colorado 81301

Red Lodge Mountain
P.O. Box Drawer R
Red Lodge, Montana 59068

Red River/Woodlands Ski Basin
P.O. Box 303
Red River, New Mexico 87558

Sandia Peak Ski Company
10 Tramway Loop NE
Albuquerque, New Mexico 87122

Santa Fe Ski Area
P.O. Box 2287
Santa Fe, New Mexico 87501

Showdown Ski Area
Box 92
Neihart, Montana 59465

Sipapu Ski Area
Rt. Box 29
Vadito, New Mexico 87579

Ski Sunlight
P.O. Box 1299
Glenwood Springs, Colorado 81602

Ski Tamarron
P.O. Box 3131
Durango, Colorado 81301

Snowbasin
P.O. Box 200
Huntsville, Utah 84317

Snowmass
P.O. Box 1248
Aspen, Colorado 81612

Solitude Ski Resort Company
P.O. Box 17315
Salt Lake City, Utah 84117

Steamboat Ski Area
P.O. Box 771178
Steamboat Springs, Colorado 80477

Taos Ski Valley, Inc.
P.O. Box TSV
Taos Ski Valley, New Mexico 87571

Telluride Ski Resort
P.O. Box 307, 137 W. Colorado Avenue
Telluride, Colorado 81435

Vail
P.O. Box 7
Vail, Colorado 81658

Winter Park Recreational Association
P.O. Box 36
Winter Park, Colorado 80482

Wolf Creek Ski Development
P.O. Box 1036
Pagosa Springs, Colorado 81147

West

Alpine Meadows
P.O. Box AM
Tahoe City, California 95730

Alyeska Resort
P.O. Box 249
Girdwood, Alaska 99587

Anthony Lakes Corp.
P.O. Box 1370
La Grande, Oregon 97850

Apex Alpine Recreations Ltd.
Box 486
Penticton, B.C.
Canada V2A 6K9

Blackcomb Mountain
P.O. Box 98
Whistler, B.C.
Canada V0N 1B0

Bluewood
Box 88
Dayton, Washington 99328

Dodge Ridge Corporation
P.O. Box 1188
Pinecrest, California 95364

49° North
Box 166
Chewelah, Washington 99109

Heavenly Valley Ski Area
P.O. Box 2180
Stateline, Nevada 89449

Kirkwood Ski Resort
P.O. Box 1
Kirkwood, California 95646

Lee Canyon Ski Area
1552 Winwood Street
Las Vegas, Nevada 89108

Mammoth Mountain Ski Area
P.O. Box 24
Mammoth Lakes, California 93546

Mission Ridge
P.O. Box 1765
Wenatchee, Washington 98801

Mt. Bachelor, Inc.
P.O. Box 1031
Bend, Oregon 97709

Mt. Hood Meadows
P.O. Box 47
Mt. Hood, Oregon 97041

Mt. Reba, Inc.
P.O. Box 5038
Bear Valley, California 95223

Mt. Waterman Ski Lifts, Inc.
817 Lynnhaven Lane
La Canada, California 91011

Multorpor Ski Bowl
P.O. Box 87
Government Camp, Oregon 97028

Northstar-At-Tahoe
P.O. Box 129
Truckee, California 95734

Schweitzer, Inc.
P.O. Box 815
Sandpoint, Idaho 83864

Sierra Ski Ranch
Twin Bridges, California 95735

Sierra Summit
P.O. Box 236
Lakeshore, California 93634

Silver Star Ski Area
No. 1 - 3001 - 43rd Ave.
Vernon, B.C.
Canada V1T 3L4

Ski Acres/Snoqualmie Summit
3010 77th Ave. S.E., No. 201
Mercer Island, Washington 98040

Snow Summit Ski Corporation
P.O. Box 77
Big Bear Lake, California 92315

Snow Valley, Inc.
P.O. Box 8
Running Springs, California 92382

Squaw Valley USA
P.O. Box 2007
Olympic Valley, California 95730

Sugar Bowl
Norden, California 95724

Timberline Lodge
General Delivery
Government Camp, Oregon 97028

Whistler Mountain
No. 602 - 325 Howe Street
Vancouver, B.C.
Canada V6C 1Z7

Whitewater
P.O. Box 60
Nelson, B.C.
Canada V1L 5P7

APPENDIX B

National Ski Areas Association
Annual Economic Survey
1981-82 Season

PLEASE RETURN BY AUGUST 15, 1982

This questionnaire represents the fourteenth economic survey of North American Ski Areas. The response in 1980-81 allowed us to prepare an excellent analysis of the industry. We again solicit your cooperation. Please return it as soon as possible.

The data must include the 1981 summer season and the winter season 1981-82—an entire 12-month period. If you wish to send us a copy of your financial statement we will complete a questionnaire for you.

The instructions and definitions provided are designed to facilitate the collection of comparable data—please follow them as closely as possible. The definitions are arranged as they appear in the questionnaire.

We have asked you to identify your area for follow-up purposes; however, all information will be kept strictly confidential.

Name of Ski Area _____ Telephone _____

Address _____

City _____ State _____ Zip Code _____

Fiscal Year _____ 19 _____ to _____ 19 _____

Person to contact if further information is required _____

Telephone number where contact person can be reached during September and October _____

Person to whom the final report should be sent _____

_____

GENERAL INFORMATION (For Classification Purposes)

1. Ski lift data that you provided in previous surveys is stored on punched cards. If you provided this data previously list only new lifts added and old lifts retired or rebuilt to different capacities.

(If no changes, please give 1980-81 VTF/Hr total: _____)

A	B	C	D	E
Lift Type (Please list each lift separately)	**Year Lift First Operated**	**Vertical Drop**	**Uphill Capacity in Skiers/Hour**	**VTF/Hour (C×D)**

Total Area Vertical Transport Feet/Hour _____

2. Year of first operation _____

3. Does your ski area have snowmaking?
( ) Yes ( ) No

How many hours did you operate snowmaking equipment in 1981-82? _____ Hours

4. What is the total number of skiable acres at your ski area

a) Total skiable acres of slopes and trails: _____ acres
b) Acres covered with snowmaking equipment: _____ acres
c) Acres under lights for night skiing: _____ acres

5. Classification of your ski area — choose one. (See **Definitions 8, 9, 10, and 11.**)
( ) Day Skier Area ( ) Weekend Skier Area
( ) Vacation Skier Area ( ) Weekend Only Area

6. We are seeking an absolute measure of growth in usage. Skier-visits is the universally accepted measure of business volume. Would you provide us with your skier-visit count for the past five ski seasons? (See **Definition 12.**)

1981-82	_____	skier-visits
1980-81	_____	skier-visits
1979-80	_____	skier-visits
1978-79	_____	skier-visits
1977-78	_____	skier-visits

7. We are seeking a measure of your ski area daily and seasonal capacity. Capacity is the product of the number of skiers at one time and the number of time periods. Would you please provide us with the following data?

a) Your peak crowd in 1981-82: _____ skiers at one time
b) Your estimate of your "design" *day* time skier capacity in 1981-82: _____ skiers at one time
   1) Number of days when all trails were open and skiable, and you could handle a full crowd: _____ days
   2) Number of days when at least half your ski area was open and skiable, but *not all*, and you could handle less than your "design" crowd: _____ days
   3) Number of days when less than half of your ski area was open and skiable, and you could handle less than half of your "design" crowd: _____ days
   4) Total days of operation 1981-82: _____ days
c) If you also operate some lifts and trails at night, your estimate of your "design" *night* time skier capacity in 1981-82: _____ skiers at one time
   1) Number of nights when all night lifts and trails were open and skiable and you could handle a full night time crowd: _____ nights

8. Ticket Price:

Adult Weekend All-Day Ticket	$ _____
Adult Weekday All-Day Ticket	$ _____
Night Ticket Price	$ _____
Season Ticket Price	$ _____

9. Proximity to metropolitan area (SMSA) in miles (See **Definition 13.**)
( ) 0-24 ( ) 25-49 ( ) 50-74 ( ) 75-99
( ) 100 or More

10. How many ski areas are within 1 hour's driving time of your area:
( ) 0 ( ) 1 ( ) 2-3 ( ) 4-5 ( ) 6 or More

11. Percentage of your terrain in the following categories:

Beginner _____ %

Intermediate _____ %

Expert _____ %

12. Lodging available to ski patrons:

Number of beds at your base area _____

Number of beds within 10 miles of your base area *(including beds at base)* _____

13. Other activities available at your area:

	Yes	No
Toboggan or Sleds	( )	( )
Snowmobile	( )	( )
Skating	( )	( )
Ski Touring	( )	( )
Golf	( )	( )
Tennis	( )	( )
Swimming	( )	( )
Water Sports	( )	( )

14. Ski Area Land Ownership is:
( ) All private land
( ) Partially or wholly public land
   ( ) U.S.F.S. permit
   ( ) State land lease
   ( ) Canadian Government land lease
   ( ) Other (county, etc.)

Percent of slope transport feet **(see Definition 14)** on public land _____ %.

15. Is your area engaged in land and/or real estate development?
( ) Second home residential sites
( ) Second homes
( ) Condominium sites
( ) Condominiums
( ) Commercial sites
( ) Commercial buildings
( ) Not engaged in land development

16. Please give us the average number of employees for each of the categories listed below:

	Lift Dept.	Ski School	Food Service	Rental Shop	Bar	Retail Store	Accom-modations	Other	Total All Operations
Average day									
Peak day									

1981-82 Itemized Income Statement for a 12-Month Period _____ 1981 Through _____ 1982
(See **Definitions 15-20**).

	Winter Season Operations							
	Ski Lift Dept.	Ski School	Food Service	Bar	Retail Store	Rental Shop	Accom-modations	Other[1]
Do not have	( )	( )	( )	( )	( )	( )	( )	
Own and Operate:	( )	( )	( )	( )	( )	( )	( )	
Concession:	( )	( )	( )	( )	( )	( )	( )	
In thousands:	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
Revenue — Gross Sales or Concession Income	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
Less: Direct Expenses								
(A) Cost-of-Goods-Sold	.....	.....	$ _____	$ _____	$ _____	$ _____[4]	.....	$ _____
(B) Direct Labor	$ _____*	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
(C) Other Direct[5]	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____
Less: Direct Allocations:								
(D) Payroll Taxes, etc.[6]								
(E) Property Operation[7]								
(F) _____								
Equals: GROSS MARGIN:	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____	$ _____

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* Detail Lift Department

Direct Labor: Lift	(000) $ _____
Ski Patrol	$ _____
Slope Maintenance	$ _____
Maintenance and Repair	$ _____
Ticket Sales	$ _____
Other	$ _____

[1] Other includes Lockers, Nursery, Souvenirs, Coin Machines, Snow Tours, Ice Skating, etc.

[2] The Utility Dept. is for those ski areas that operate community water, sewer, power, plowing, telephone, garbage collection, etc., services either for a fee or free.

[3] Misc. includes Interest Income, Timber Sales, and other unconventional undertakings.

[4] Include the depreciation of rental equipment under cost-of-goods-sold instead of the depreciation account. This is because of the general short life of this equipment.

[5] Other Direct Costs to include the utility cost (except snowmaking), repair and maintenance costs, parts and supplies costs, uniform costs, and any other costs that are directly attributable to the departmental operation.

[6] Payroll Taxes and Employee Benefits to include FICA and unemployment taxes, health, disability and workman's compensation insurance, life insurance, pension and profit sharing, vacation and holiday pay, meals, gifts, etc.; may be allocated by department or grouped under the annual totals in accordance with your accounting treatment.

[7] Property Operation to include utilities (except snowmaking power), fuel, gas and oil, vehicle repairs and maintenance, building repairs and maintenance, parking lot operation, grounds maintenance, waste disposal, janitorial, security, heat-light and power; may be allocated by department or grouped under annual totals in accordance with your accounting treatment.

17. Will you please provide us with comments on your 1981-82 season? What were the highlights, such as new areas or major expansions, unusual weather conditions, or major pricing or marketing activities that have affected your performance for the 1981-82 season? (Please use an additional sheet if necessary.)

Year Round Operations			Summer Season Operations						
Real Estate	Utility[2] Dept.	Misc.[3]	Lift Dept.	Food Service	Retail Store	Sports Dept.	Accom-modations	Summer Slide	ANNUAL TOTALS
( )	( )	( )	( )	( )	( )	( )	( )		
( )	( )	( )	( )	( )	( )	( )	( )		
( )	( )	( )	( )	( )	( )	( )	( )		
(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
$	$	$	$	$	$	$	$	$	$
$	$	$	$	$	$	$	$	$	$
$		$		$	$			$	$
$	$	$	$	$	$	$	$	$	$
$	$	$	$	$	$	$	$	$	$
									$ [6]
									$ [7]
									$
$	$	$	$	$	$	$	$	$	$

Less: Common Expenses:

(A) General and Administrative ..... $ _____
(B) Marketing (Adv.; Pub.; Pro.; P.R.; etc.) ..... $ _____
(C) Insurance: (1) Property (Fire, Theft, etc.) ..... $ _____
(2) Liability ..... $ _____
(D) Land use fees (1) Public Land Lease ..... $ _____
(2) Private Land Lease ..... $ _____
(E) Taxes (Except Income taxes)
(1) Property Taxes ..... $ _____
(2) Other Taxes ..... $ _____
(F) Snowmaking: (1) Labor ..... $ _____
(2) Power/Fuel ..... $ _____
(3) Maintenance ..... $ _____
(4) Other (Water, etc.) ..... $ _____
(G) Snow removal ..... $ _____
(H) Miscellaneous ..... $ _____
(I) Depreciation and Amortization ..... $ _____

OPERATING PROFIT (LOSS) ..... $ _____

Less: Interest Expense ..... $ _____

PROFIT (LOSS) Before Income Taxes ..... $ _____

Balance Sheet Information (as of _____ 1982)
(See **Definitions 21-29**)

Please make sure total assets equal total liabilities + net worth. Otherwise the data cannot be used.

(Round to Nearest $1,000)

	1982
Assets	
a. Current Assets	$ _____
b. Gross Fixed Assets (Undepreciated Cost Excluding Land Held for Resale and Overnight Accommodations)	_____
c. Less Accumulated Depreciation	(_____)
d. Other Assets (Including Land Held for Resale and Overnight Accommodations)	_____
TOTAL ASSETS	**$** _____*
Liabilities and Net Worth	
e. Current Liabilities	$ _____
f. Long Term Debt	
1. Senior Long Term Debt (Secured by Mortgages, Chattels, etc.)	_____
2. Subordinated Debt	_____
g. Deferred Taxes	_____
h. Other Liabilities	_____
i. Net Worth	
1. Invested Capital	_____
2. Retained Earnings (Loss)	_____
TOTAL LIABILITIES AND NET WORTH	**$** _____*

* Please make sure that these two figures are the same.

Finally, what comments do you have on the annual economic survey? What would you like to see added or dropped? What suggestions can you make to improve it?

_____

_____

_____

Thank you for your cooperation

Please return the questionnaire to:
Business Research Division
University of Colorado
Campus Box 420
Boulder, Colorado 80309

APPENDIX C

DEFINITION OF TERMS

The definitions of terms utilized throughout the report were developed primarily by the National Ski Area Association's Economic Study Committee. Definitions are given below together with a brief explanation of the usage of the information.

1. Season--the inclusive months during which a ski area is open each season.

2. Fiscal Year--the month in which an area closes its books.

3. Type of Lifts--for purposes of this study are categorized as surface, chair, or gondola.

4. Year Lift First Operated--year when the lifts were first installed and operated. Provides a rough measure of capital investment in the industry over time.

5. Vertical Drop--the vertical distance from the top to the bottom of the slope for a particular lift.

6. Uphill Capacity--the manufacturers rated number of skiers per hour a lift can transport to the top of the slope. An area's capacity is the sum of the individual lifts.

7. VTF/Hour (Vertical Transport Feet Per Hour)--the product of the vertical drop of a lift times the lift manufacturers rated skiers per hour capacity.

8. Day Skier Area--area at which overnight, dining and after-ski facilities are limited since the area primarily serves a day skier market.

9. Weekend Skier Area--area with substantial overnight accommodations and a variety of dining and entertainment but which primarily serves skiers who stay for a weekend.

10. Vacation Skier Area--area which primarily serves the skier who stays longer than a weekend.

11. Weekend Only Area--area which is open only on weekends.

12. Skier-Visit--one person visiting a ski area for all or any part of a day or night for the purpose of skiing. This is the total number of lift tickets issued. Skier-visits include full-day, half-day, night, complimentary, adult, child, season and any other ticket types that give a skier the use of an area's facilities. Where single rides or coupon books are an important source of revenue, equivalent skier-visits are computed from these sources. Each ticket sold for night skiing is included as a skier-visit. Skier-visits is an actual count and includes season ticket use.

13. Standard Metropolitan Statistical Area (SMSA)–an incorporated area with a nucleus of at least one city of 50,000 inhabitants or more (or "twin cities" with a combined population of at least 50,000).

14. Slope Transport Feet–a method for prorating winter-sport uphill facility capacity on the basis of land ownership. The multiplication of (1) the capacity of each lift times (2) the slope distance traveled by that lift through each ownership (private or U.S. Forest Service). These factors are added for each ownership and the percentage they bear to the total is determined. The resulting percentages reflect by ownership the weighted capacity of the lifts.

15. Revenue–the total revenue derived from ski area operations including ski lifts, ski school, cafeteria, ski shop, equipment rentals, accommodations, and real estate. It also includes concession income from leased operations.

16. Direct Labor–total employees' salaries and wages.

17. Other Direct Expense–any other costs directly related to the particular activity (excluding depreciation).

18. Gross Margin–the revenue available to cover other expenses after direct expenses have been deducted.

19. Insurance–includes both insurance premiums and self-insured losses or deductible losses paid during the twelve month period.

20. Profit (Loss) Before Income Tax–net income derived from all area operations after direct and other expenses have been deducted from total revenue.

21. Current Assets–assets such as cash, inventories, prepaid expenses, accounts receivable, or other items which will convert to cash in the normal course of business within one year.

22. Gross Fixed Assets (GFA)–the total of the original undepreciated cost (not present value) of the improvements and fixtures plus the cost of equipment necessary to generate sales and other income such as day buildings, lifts, equipment, investment in trails, parking, etc., less cost of equipment disposed of. Fixed assets are shown at original cost including additions, but prior to any allowances for depreciation and/or amortization.

23. Depreciation–the cumulative sum of depreciation of gross fixed assets. Indicates the extent to which an area's assets have been written off. Should not include any depreciation on assets previously disposed of.

24. Other Assets–any assets other than current or gross fixed assets. Includes land held for resale as well as overnight accommodations.

25. Current Liabilities–liabilities such as accounts payable, accrued wages, accrued payroll taxes and portions of loans or long term debt due within one year.

26. Long Term Senior Debt–borrowings with repayment scheduled more than one year in the future that are secured by some claim to property or equipment in the event of non-payment.

27. Long Term Subordinated Debt–all borrowing with repayment scheduled more than one year in the future and where the lender has no claim to a specific asset upon liquidation and/or subordinated in terms of priority of payment to other creditors.

28. Invested Capital–the original ownership investment (amount received for stock, partnership or proprietorship interest), plus any new equity funds raised from sources other than earnings.

29. Retained Earnings (Loss)–cumulative earned surplus or loss from annual operations.

Economic Ratios

30. Ski Area Capacity–is defined as those numbers of skiers that a given ski area can comfortably support on the slopes, lifts and in the base and mountain warming buildings without over-crowding or those that may be accommodated at one time and still preserve a congenial environment. A ski area's comfortable capacity is some function of VTF/hour, scope of skiing, and difficulty of terrain, as well as a reflection of the various abilities of the skiers. Ski area capacity is a judgment. In this report it is calculated by assuming a specific VTF/hour demand that varies by geographic region.

31. Operating Profit–is defined as profit before income tax and interest expense. These two expenses vary according to the capital structure and past operations history. Operating Profit is a more precise way of measuring economic variations due to operating experience and seasonal fluctuations and allows for the comparison of ski areas with varying capital structures.

32. Utilization–is measured in percent of capacity. Capacity is the product of a ski area's capacity times its days of operation. Utilization compares actual skier visits to calculated ceiling season capacity.

33. Capital Cost (GFA)/Capacity Ratio–is the ratio between the cost to construct the ski area and its ability to handle skiers. As such for any given point in time it is a rough measure of the site and design efficiency.

34. Operating Cost/Capacity Ratio–is the ratio between cash operating costs (excluding depreciation and interest) and the ceiling season skier capacity (ski area capacity times length of season). Note that since methods used in the presentation of the average area's income statement exclude any and all direct operating expenses for supporting departments that they too are excluded from this ratio. This ratio is a measure of the operating efficiency of a ski area. It is expressed in dollars per skier visit of seasonal capacity.

35. Total Revenue Per Skier Visit–is the gross dollars actually received from each skier for each visit from ski lifts ticket sales, plus the net margin from each supporting activity. It is calculated by dividing total revenue by actual skier visits.

36. Days/nights of Operation–is measured in "equivalent" days/nights where full weight is given to days and nights where all facilities are open; 75 percent to days where less than full but more than one-half of the mountain is open and skiable; and 25 percent to days where less than half of the mountain is open and skiable.

APPENDIX D

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